COMPARATIVE STATISTICS OF INDUSTRIAL AND OFFICE REAL ESTATE MARKETS

1991 GUIDE

1990 REVIEW ■ 1991 FORECAST

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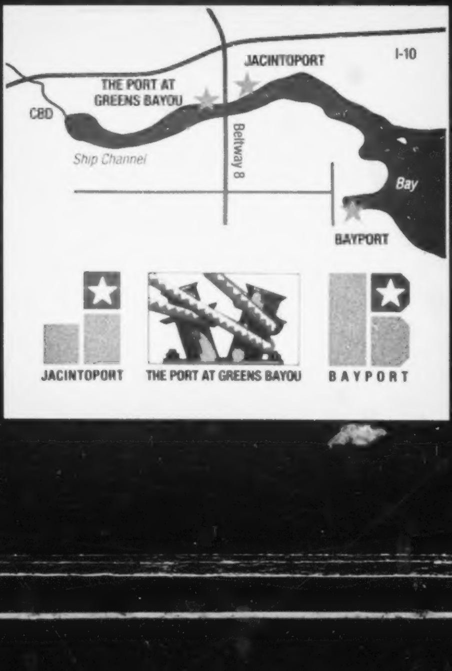

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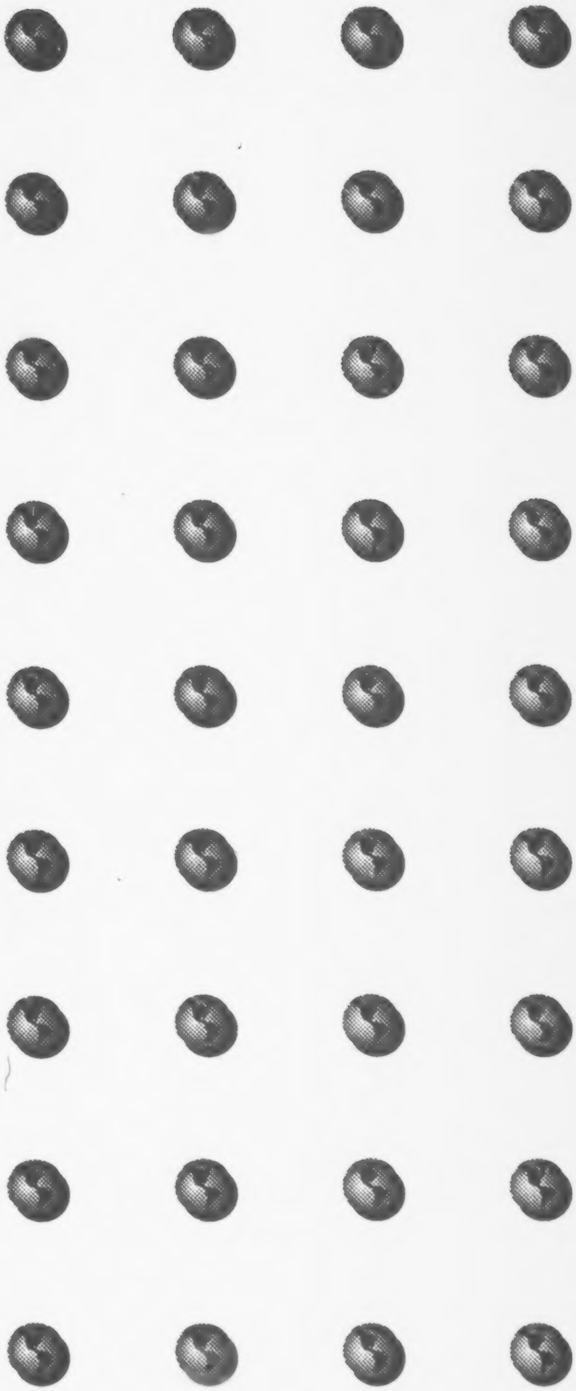

COMPARATIVE STATISTICS OF INDUSTRIAL AND OFFICE REAL ESTATE MARKETS

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CONTENTS

Foreword x
About SIOR xii
About Landauer xii
About the Survey xiii
Glossary of Terms xiv
Industrial Survey Respondents xvi
Office Survey Respondents xx
List of Sources xxiv

OVERVIEW

Economic Outlook 1
National Industrial Property Market 6
National Office Property Market 11

INDUSTRIAL MARKETS BY CITY

Canada

Montreal, Quebec 21
Toronto, Ontario 22

England

Birmingham 23
London 24

France

Paris 25

Mexico

Juarez 26
Mexico City 27

Norway

Oslo 28

United States

Akron, Ohio 31
Albany, New York 32
Albuquerque, New Mexico 33
Atlanta, Georgia 34
Austin, Texas 35
Baltimore, Maryland 36
Birmingham, Alabama 37
Boston, Massachusetts 38
Bridgeport / Stratford, Connecticut 39
Buffalo, New York 40
Charleston, South Carolina 41
Charlotte, North Carolina 42
Chattanooga, Tennessee 45
Chicago, Illinois (Central City) 46
Chicago, Illinois (Suburban) 48
Cincinnati, Ohio 50
Cleveland, Ohio 51
Columbia, South Carolina 52
Columbus, Ohio 53
Contra Costa, California 54
Corpus Christi, Texas 55
Dallas, Texas 56
Dayton, Ohio 57
Denver, Colorado 58
Des Moines, Iowa 59
Detroit, Michigan (Central City) 61
Detroit, Michigan (Suburban) 62
El Paso, Texas 64
Fort Smith, Arkansas 65
Fort Wayne, Indiana 66
Fort Worth, Texas 67
Fresno, California 68
Gary-Hammond-East Chicago, Indiana 70
Grand Rapids, Michigan 71
Greensboro, North Carolina 72
Greenville, South Carolina 73
Hartford, Connecticut 74
Honolulu, Hawaii 75
Houston, Texas 77
Indianapolis, Indiana 78
Jackson, Michigan 80
Jackson, Mississippi 81
Jacksonville, Florida 82
Johnson City-Kingsport-Bristol, Tennessee/Virginia 83
Kansas City, Missouri / Kansas 84
Knoxville, Tennessee 85
Lafayette, Indiana 86
Lakeland, Florida 87
Lansing, Michigan 88
Las Vegas, Nevada 89
Little Rock, Arkansas 90
Los Angeles-Central, California 91
Los Angeles-East, California 93
Los Angeles-Orange County, California 94
Los Angeles-San Bernardino County, California 96
Los Angeles-San Fernando Valley, California 97
Los Angeles-San Gabriel Valley, California 98
Los Angeles-South Bay, California 99
Los Angeles-West, California 100
Louisville, Kentucky 101
Marin & Sonoma Counties, California 102
Melbourne/South Brevard County, Florida 103
Memphis, Tennessee 104
Miami, Florida 105
Milwaukee, Wisconsin 107
Minneapolis/St. Paul, Minnesota 108
Nashua, New Hampshire 110
Nashville, Tennessee 111
New Haven, Connecticut 112
New Jersey-Central 113
New Jersey-Northern 114
New Jersey-Southern 115
New Orleans, Louisiana 116
New York City, New York 117
New York City-Bronx, New York 118
New York City-Brooklyn/Queens, New York 119
New York-Nassau/Suffolk Counties, New York 120
New York-Rockland/Westchester Counties, New York 121
Norfolk, Virginia 122
Oakland, California 123
Oklahoma City, Oklahoma 124
Omaha, Nebraska 125
Orlando, Florida 126
Philadelphia, Pennsylvania 127
Phoenix, Arizona 128
Pittsburgh, Pennsylvania 129
Portland, Maine 130
Portland, Oregon 131
Quad Cities, Iowa/Illinois 132
Raleigh, North Carolina 133
Reno, Nevada 135
Richmond, Virginia 136
Roanoke, Virginia 138
Sacramento, California 139
St. Louis, Missouri 140
Salt Lake City, Utah 142
San Antonio, Texas 143
San Diego, California 144
San Francisco, California 145
San Jose, California 146
San Mateo, California 147
Seattle-Eastside, Washington 148
Seattle-North & South, Washington 149
Shreveport, Louisiana 150
Sioux City, Iowa 151
South Bend, Indiana 152
Spokane, Washington 153
Springfield, Massachusetts 154
Stamford/Norwalk, Connecticut 155
Stockton, California 156
Syracuse, New York 157
Tampa, Florida 158
Terre Haute, Indiana 159
Toledo, Ohio 160
Tucson, Arizona 161
Tulsa, Oklahoma 162
Washington, D.C. 163
West Palm Beach, Florida 164
Wichita, Kansas 165
Wilmington, Delaware 166
Youngstown, Ohio 167
Industrial Survey Questionnaire 171

CONTENTS

OFFICE MARKETS BY CITY

Canada

Montreal, Quebec 179
Toronto, Ontario 180

England

Birmingham 181
London 182

France

Paris 183

Mexico

Mexico City 184

Norway

Oslo 185

United States

Albany, New York 189
Albuquerque, New Mexico 190
Atlanta, Georgia 191
Austin, Texas 192
Baltimore, Maryland 193
Birmingham, Alabama 194
Boston, Massachusetts 196
Bridgeport, Connecticut 197
Buffalo, New York 198
Charleston, South Carolina 199
Charlotte, North Carolina 200
Chattanooga, Tennessee 202
Chicago, Illinois 203
Cincinnati, Ohio 204
Cleveland, Ohio 205
Columbia, South Carolina 206
Columbus, Ohio 207
Contra Costa, California 208
Corpus Christi, Texas 209
Dallas, Texas 210
Dayton, Ohio 211
Denver, Colorado 212
Des Moines, Iowa 213
Detroit, Michigan 214
El Paso, Texas 216
Fort Lauderdale, Florida 217
Fort Wayne, Indiana 218
Fresno, California 219
Gary-Hammond-East Chicago, Indiana 220
Grand Rapids, Michigan 221
Greensboro, North Carolina 222
Greenville, South Carolina 223
Hartford, Connecticut 224
Honolulu, Hawaii 225
Houston, Texas 226
Indianapolis, Indiana 228
Jackson, Michigan 229
Jackson, Mississippi 230
Jacksonville, Florida 231
Johnson City-Kingsport-Bristol, Tennessee/Virginia 232
Kansas City, Missouri/Kansas 233
Knoxville, Tennessee 234
Lafayette, Indiana 235
Lansing, Michigan 236
Las Vegas, Nevada 237
Little Rock, Arkansas 239
Los Angeles-Central, California 240
Los Angeles-Orange County, California 242
Los Angeles-San Bernardino County, California 243
Los Angeles-San Fernando Valley, California 244
Los Angeles-San Gabriel County, California 245
Los Angeles-South Bay, California 246
Los Angeles-West, California 247
Louisville, Kentucky 248
Marin & Sonoma Counties, California 249
Melbourne/South Brevard County, Florida 250
Memphis, Tennessee 251
Miami, Florida 252
Milwaukee, Wisconsin 253
Minneapolis/St. Paul, Minnesota 254
Nashua, New Hampshire 255
Nashville, Tennessee 256
New Haven, Connecticut 257
New Jersey-Central 259
New Jersey-Northern 260
New Jersey-Southern 262
New Orleans, Louisiana 263
New York City, New York 264
New York City-Brooklyn/ Queens, New York 265
New York-Nassau/Suffolk Counties, New York 266
New York-Rockland/Westchester Counties, New York 267
Norfolk, Virginia 268
Oakland, California 269
Oklahoma City, Oklahoma 270
Omaha, Nebraska 271
Orlando, Florida 273
Philadelphia, Pennsylvania 274
Phoenix, Arizona 276
Pittsburgh, Pennsylvania 277
Portland, Maine 278
Portland, Oregon 279
Providence, Rhode Island 280
Quad Cities, Iowa/Illinois 281
Raleigh, North Carolina 282
Reno, Nevada 283
Richmond, Virginia 284
Roanoke, Virginia 285
Rochester, New York 286
Sacramento, California 287
St. Louis, Missouri 288
Salt Lake City, Utah 289
San Antonio, Texas 290
San Diego, California 291
San Francisco, California 292
San Mateo, California 293
Seattle, Washington 294
Seattle-Greater Eastside, Washington 295
Shreveport, Louisiana 296
Sioux City, Iowa 297
South Bend, Indiana 298
Springfield, Massachusetts 299
Stamford/Norwalk, Connecticut .. 300
Syracuse, New York 301
Tampa, Florida 302
Terre Haute, Indiana 303
Toledo, Ohio 304
Tucson, Arizona 305
Tulsa, Oklahoma 307
Washington, D.C. 308
West Palm Beach, Florida 310
Wichita, Kansas 311
Wilmington, Delaware 312
Office Survey Questionnaire 315

CONTENTS

INDUSTRIAL MARKETS BY STATE OR PROVINCE

Canada

Ontario

Toronto 22

Quebec

Montreal 21

England

Birmingham 23
London 24

France

Paris 25

Mexico

Juarez 26
Mexico City 27

Norway

Oslo 28

United States

Alabama

Birmingham 37

Arizona

Phoenix 128
Tucson 161

Arkansas

Fort Smith 65
Little Rock 90

California

Contra Costa 54
Fresno 68
Los Angeles-Central 91
Los Angeles-East 93
Los Angeles-Orange County 94
Los Angeles-San Bernardino County 96
Los Angeles-San Fernando Valley 97
Los Angeles-San Gabriel Valley 98
Los Angeles-South Bay 99
Los Angeles-West 100
Marin & Sonoma Counties 102
Oakland 123
Sacramento 139
San Diego 144
San Francisco 145
San Jose 146
San Mateo 147
Stockton 156

Colorado

Denver 58

Connecticut

Bridgeport/Stratford 39
Hartford 74
New Haven 112
Stamford/Norwalk 155

Delaware

Wilmington 166

District of Columbia

Washington, D.C. 163

Florida

Jacksonville 82
Lakeland 87
Melbourne/South Brevard County 103
Miami 105
Orlando 126
Tampa 158
West Palm Beach 164

Georgia

Atlanta 34

Hawaii

Honolulu 75

Illinois

Chicago (Central City) 46
Chicago (Suburban) 48
Quad Cities 132

Indiana

Fort Wayne 66
Gary-Hammond-East Chicago 70
Indianapolis 78
Lafayette 86
South Bend 152
Terre Haute 159

Iowa

Des Moines 59
Quad Cities 132
Sioux City 151

Kansas

Kansas City 84
Wichita 165

Kentucky

Louisville 101

Louisiana

New Orleans 116
Shreveport 150

Maine

Portland 130

Maryland

Baltimore 36

Massachusetts

Boston 38
Springfield 154

Michigan

Detroit (Central City) 61
Detroit (Suburban) 62
Grand Rapids 71
Jackson 80
Lansing 88

Minnesota

Minneapolis/St. Paul 108

Mississippi

Jackson 81

Missouri

Kansas City 84
St. Louis 140

Nebraska

Omaha 125

Nevada

Las Vegas 89
Reno 135

New Hampshire

Nashua 110

New Jersey

Central 113
Northern 114
Southern 115

New Mexico

Albuquerque 33

New York

Albany 32
Buffalo 40
New York City 117
New York City-Bronx 118
New York City-Brooklyn/Queens 119
New York-Nassau/Suffolk Counties 120
New York-Rockland/Westchester Counties 121
Syracuse 157

North Carolina

Charlotte 42
Greensboro 72
Raleigh 133

CONTENTS

Ohio

Akron ... 31
Cincinnati ... 50
Cleveland ... 51
Columbus ... 53
Dayton ... 57
Toledo ... 160
Youngstown ... 167

Oklahoma

Oklahoma City ... 124
Tulsa ... 162

Oregon

Portland ... 131

Pennsylvania

Philadelphia ... 127
Pittsburgh ... 129

South Carolina

Charleston ... 41
Columbia ... 52
Greenville ... 73

Tennessee

Chattanooga ... 45
Johnson City-Kingsport-Bristol ... 83
Knoxville ... 85
Memphis ... 104
Nashville ... 111

Texas

Austin ... 35
Corpus Christi ... 55
Dallas ... 56
El Paso ... 64
Fort Worth ... 67
Houston ... 77
San Antonio ... 143

Utah

Salt Lake City ... 142

Virginia

Johnson City-Kingsport-Bristol ... 83
Norfolk ... 122
Richmond ... 136
Roanoke ... 138

Washington

Seattle-Eastside ... 148
Seattle-North & South ... 149
Spokane ... 153

Wisconsin

Milwaukee ... 107

OFFICE MARKETS BY STATE OF PROVINCE

Canada

Ontario

Toronto ... 180

Quebec

Montreal ... 179

England

Birmingham ... 181
London ... 182

France

Paris ... 183

Mexico

Mexico City ... 184

Norway

Oslo ... 185

United States

Alabama

Birmingham ... 194

Arizona

Phoenix ... 276
Tucson ... 305

Arkansas

Little Rock ... 239

California

Contra Costa ... 208
Fresno ... 219
Los Angeles-Central ... 240
Los Angeles-Orange County ... 242
Los Angeles-San Bernardino County ... 243
Los Angeles-San Fernando Valley ... 244
Los Angeles-San Gabriel County ... 245
Los Angeles-South Bay ... 246
Los Angeles-West ... 247
Marin & Sonoma Counties ... 249
Oakland ... 269
Sacramento ... 287
San Diego ... 291
San Francisco ... 292
San Mateo ... 293

Colorado

Denver ... 212

Connecticut

Bridgeport ... 197
Hartford ... 224
New Haven ... 257
Stamford/Norwalk ... 300

Delaware

Wilmington ... 312

District of Columbia

Washington, D.C. ... 308

Florida

Fort Lauderdale ... 217
Jacksonville ... 231
Melbourne/South Brevard County ... 250
Miami ... 252
Orlando ... 273
Tampa ... 302
West Palm Beach ... 310

Georgia

Atlanta ... 191

Hawaii

Honolulu ... 225

Illinois

Chicago ... 203
Quad Cities ... 281

Indiana

Fort Wayne ... 218
Gary-Hammond-East Chicago ... 220
Indianapolis ... 228
Lafayette ... 235
South Bend ... 298
Terre Haute ... 303

Iowa

Des Moines ... 213
Quad Cities ... 281
Sioux City ... 297

Kansas

Kansas City ... 233
Wichita ... 311

Kentucky

Louisville ... 248

Louisiana

New Orleans ... 263
Shreveport ... 296

Maine

Portland ... 278

CONTENTS

Maryland

Baltimore 193

Massachusetts

Boston 196
Springfield 299

Michigan

Detroit 214
Grand Rapids 221
Jackson 229
Lansing 236

Minnesota

Minneapolis/St. Paul 254

Mississippi

Jackson 230

Missouri

Kansas City 233
St. Louis 288

Nebraska

Omaha 271

Nevada

Las Vegas 237
Reno 283

New Hampshire

Nashua 255

New Jersey

Central 259
Northern 260
Southern 262

New Mexico

Albuquerque 190

New York

Albany 189
Buffalo 198
New York City 264
New York City-Brooklyn/Queens 265
New York-Nassau/Suffolk Counties 266
New York-Rockland/Westchester Counties 267
Rochester 286
Syracuse 301

North Carolina

Charlotte 200
Greensboro 222
Raleigh 282

Ohio

Cincinnati 204
Cleveland 205
Columbus 207
Dayton 211
Toledo 304

Oregon

Portland 279

Oklahoma

Oklahoma City 270
Tulsa 307

Pennsylvania

Philadelphia 274
Pittsburgh 277

Rhode Island

Providence 280

South Carolina

Charleston 199
Columbia 206
Greenville 223

Tennessee

Chattanooga 202
Johnson City-Kingsport-Bristol 232
Knoxville 234
Memphis 251
Nashville 256

Texas

Austin 192
Corpus Christi 209
Dallas 210
El Paso 216
Houston 226
San Antonio 290

Utah

Salt Lake City 289

Virginia

Johnson City-Kingsport-Bristol 232
Norfolk 268
Richmond 284
Roanoke 285

Washington

Seattle 294
Seattle-Greater Eastside 295

Wisconsin

Milwaukee 253

Foreword

by Hugh F. Kelly
Senior Vice President
Landauer Associates, Inc.

Real estate is a residual economic product. Real property is a repository of value flowing from the more fundamental economic processes it shelters: the production of goods, the provision of services, the activity of trade and commerce, the need for housing, the management of society. Even the value of agricultural land depends upon far-flung economic factors often well beyond the control of the farmer working the soil.

At no time does the real estate industry understand its relationship to the economy so clearly as during recessions. In happier days, real estate developers, owners, lenders, and brokers are perfectly satisfied to believe that property value is primarily created by entrepreneurial effort. In downcycles we find that the industry has no less talent, no lack of exertion, no deficit of insight or experience when compared with the preceding boom. But without a strong economy undergirding its activity, the term "adding value" in the real estate field simply translates into "defending the perimeter."

The extreme example which best illustrates the case is the ghost town of the Old West. The tumbleweed blows past the once thriving general store, the bank's stone and steel vault, the telegraph office at the stage depot, and the dangling swinging doors of the saloon. The real estate remains, but is reduced to the state of mere economic furniture by some silenced engine of growth. It might be worn-away topsoil, an abandoned rail line, a played-out mine, or a shuttered mill. What becomes clear in this harsh light is the principle: the value of real estate rests upon the living economy, and is its artifact.

Because the economic environment is nothing if not changeable, those who would survive and even prosper in the real estate industry become specialists in adaptation and evolution. More and more, the top professionals in commercial real estate — such as the designated members of the Society of Industrial and Office REALTORS® (SIOR) — find themselves monitoring the vital signs of corporate profits, the balance of international trade, the price of money, levels of employment in their community, skills and attitudes in the labor market, and other indicators of economic context as much as they once watched trends in rental rates sales prices, and vacancy rates. Property professionals have learned that the real estate indicators are led by changes in the primary signals issuing from the businesses upon which market demand ultimately rests.

Candidly, the cause and effect relationships linking the larger economy to the property market are still described fairly unscientifically. As a business discipline, real estate studies are relatively young. Universities which have long devoted faculty and research effort to the analysis of corporations and the operations of the stock and bond markets have come only recently to the systematic study of real estate as an asset class. Spurred by institutional investor interest and fiduciary demands during the Eighties, many more advanced programs of real estate study exist today than were available a decade ago.

One hallmark of the embryonic state of the field is its unslakable thirst for data. There is an absolutely intense desire in the industry for ever greater amounts of information. Frequently real estate professionals find themselves required to make decisions involving millions of dollars based upon an incomplete array of facts, or with statistics of dubious reliability. The sheer task of measuring the enormous property market in the United States is a daunting undertaking. Evolving a meaningful segmentation of the property types of practical utility to the industry (a task scientists label "taxonomy") is also on the agenda. Even such basic business as agreeing on standard definitions of terms and measurement rules remains a problem at the present time. However, SIOR and other affiliates are working with the National Association of REALTORS® on standard definitions.

Comparative Statistics of Industrial and Office Real Estate Markets seeks to satisfy in part this urgent need for data. By establishing for its reporters a common set of criteria, by pressing for an identical information set for each market, and by annually providing the most extensive array of markets available in a single publication, SIOR makes a material contribution to the body of knowledge available to real estate practitioners — including corporate facilities specialists, builders, investors, bankers, brokers, appraisers, consultants, and property managers.

The data is most useful for cross-market comparisons of conditions as they exist in early 1991. Survey forms submitted to SIOR reflected the reporters' market measurement at the turn of the year. Landauer followed up the written survey with telephone inquiries during the first two months of 1991. Where data was incomplete or questionable, it has been either omitted from the publication or labeled as an estimate. Our rule has been that it is better to show a gap in the database than to present a faulty number.

We will note that for some markets a change in market boundaries, or of the definition of properties included in the survey, or in business practices themselves, make year-to-year comparisons more difficult. The text of the individual market reports discloses such problems, where they exist. Generally speaking, the use of these statistics to establish changes in market conditions over a period of several years should be undertaken with due caution. Readers are best advised to consult with experienced local professionals, such as the SIOR members, before interpreting the data into trends or cyclical patterns.

Reliable market information, coupled with improved analysis, is vitally needed by the real estate industry itself and by policy makers as well. Some would argue that, given the oversupply of property throughout the nation, now is hardly the time to think about more real estate development. We believe that 1991 is the right time to begin to improve our thinking about real estate development and the economy.

The nation's need is not for *less* development today, as it was surely not simply for *more* building in the early- to mid-1980s. The need for the Nineties is for *more appropriate* development — the addition of property that will enhance the productivity of the economy by being well-matched with people's needs. Looking forward, we will require office buildings that contribute to the efficiency of the white collar workforce. Builders will be asked to provide plants and assembly facilities that enhance, rather than retard, our industry's competitive position in the world marketplace. The mobile American population constantly forces the distribution system to expand and to adapt to demographic change. And, in the midst of a housing industry contraction, we are still faced with the scandalous increase in the number of homeless citizens.

Real estate cycles are exacerbated by misunderstanding. The peaks and valleys experienced by the market are exaggerated as participants act on hopes and fears in the absence of a reasoned analysis of market detail. The harm engendered by a blanket credit shortage restricting worthy projects as well as ill-conceived speculation is a case in point. In an over-reaction to widespread market distress, banking regulators and the lenders themselves may well be inhibiting the fundamental economic growth necessary to assuage the real estate market's pain. Times undoubtedly are hard, but jurists have long reminded us that "hard cases make bad law." To the degree that *Comparative Statistics of Industrial and Office Real Estate Markets* discloses the range of conditions now existing in the broad and varied locations surveyed, this volume demonstrates that a more nuanced approach to property is well justified.

Our compendium of information is but a start. The numbers themselves do not make for intelligent action. That requires experience, good judgment, and insightful decisions. But without basic data even the savviest operative is navigating blindly. There are no instant answers, no quick fixes, for the real estate business. For 1991, we can only reflect upon Chaucer's wise observation, "The lyf so short; the crafte so longe to learne."

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About The Survey

SIOR presents its 1991 edition of *Comparative Statistics of Industrial and Office Real Estate Markets*, an annual report of market data compiled by a select group of **SIOR** members in major metropolitan areas in the U.S., Canada, and abroad. A total of 178 respondents reported on industrial markets and 147 respondents reported on office markets.

This publication includes a detailed **review and forecast** of both industrial and office real estate markets, as well as an analysis of economic trends and their affect on industrial and office markets. A detailed analysis of the industrial and office markets in the U.S. is presented on pages 6 through 16. In addition, the survey is intended to be a general overview of market areas. Data are based on the respondents' own experience and transactions in their markets, as well as on information from a variety of other sources (see page xxiv).

In many cases, **SIOR** respondents consulted brokers, lenders, and other specialists in their areas to determine the most accurate and up-to-date data available. In all cases, statistics reflect the particular market conditions prevailing as viewed by the respondents in their specific areas at the time they submitted their completed questionnaires, on or about December 31, 1990.

For each industrial market, you will find the following information:

- Demographic statistics
- 1990 review and 1991 forecast
- Industrial market characteristics
- Dollar volume of sales and leases compared to one year ago
- Sales prices of prime industrial buildings
- Sales prices of prime industrial sites
- Annual lease prices of prime industrial buildings
- Rate of new construction compared to a year ago
- Construction costs of prime industrial buildings
- Vacancy situation for prime industrial properties
- Composition of absorption
- Financing for industrial properties
- Outlook for industrial real estate
- A complete reproduction of the questionnaire used for the industrial survey begins on page 171.

For each office market, you will find the following information:

- Demographic statistics
- 1990 review and 1991 forecast
- Office market characteristics
- Levels of absorption
- New construction activity
- Gross rental rates for both Class "A" and Class "B" buildings
- Sales prices for both Class "A" and Class "B" buildings
- Dollar value of standard work letter
- Parking ratios
- Utility rates
- Rate of return
- Operating costs escalation
- Leasing activity profile
- Outlook for office properties
- A complete reproduction of the questionnaire used for the office survey begins on page 315.

Glossary of Terms

DEMOGRAPHICS

Population. The 1990 population projection for the MSA. Figures are based on data from National Planning Data Corporation.

Population Growth Rate. The annual percentage change in populations between 1980 and 1990 for the MSA. Figures are based on data from National Planning Data Corporation.

Unemployment Rate. The percent of labor force unemployed in September 1990 as published by the Bureau of Labor Statistics in Employment and Earnings.

Median Household Income. The estimated median household income for 1990 as published by National Planning Data Corporation.

Cost of Living Index. Measures relative price levels for consumer goods and services in participating areas, as published by American Chamber of Commerce Researchers Association (ACCRA).

Demographic Rankings. This ranks local statistics against other U.S. Metropolitan markets.

INDUSTRIAL MARKETS

Prime Industrial Building. A prime industrial building is in the top 25 percent of the most desired industrial properties in a given market area. Such buildings are considered to be for general purpose uses such as industrial, research, warehouse and/or manufacturing.

Central City/Suburban. Since the definition of urban and suburban varies widely, it is the responsibility of the individual survey respondent to reflect his or her area's particular characteristics.

Total Inventory. Total square footage (sq. ft.) of rentable industrial space, vacant and occupied, ready for tenant finish. Includes owner occupied space.

Vacant Inventory. Total square footage of vacant rentable industrial space, including sublease.

Net Absorption. Net absorption is the net change in occupied space.

Under Construction. Industrial space in construction stages, ground has been broken. Does not include planned projects.

Construction Costs. Construction costs reflect only hard construction costs such as general contractor, overhead, and profit, but exclude architectural and engineering fees, financing fees, and mortgage/brokerage fees for both construction and permanent financing.

Lease Prices. A gross lease is one in which the tenant's rent includes real estate taxes, fire and extended coverage insurance, as well as maintenance of the roof structure and outside walls. A net lease is one in which the tenant assumes the operating expenses of the leased premises.

Improved Sites. Improved sites are in the top 25 percent of overall desirability of the existing inventory. Such sites are in a "ready-to-build" condition and are essentially level and graded and serviced with all necessary utilities. Rail service may or may not be available.

Unimproved Sites. These sites are also in the top 25 percent of overall desirability of the existing inventory and zoned for industrial use. Streets and utilities may not yet be installed, but are reasonably close and available. Rail service may or may not be available.

Prime High-Technology Building. Generally, high-technology (high-tech) buildings are 50 percent or more office, fully air-conditioned, 12-18' clear height, have extensive landscaping and parking, and are architecturally impressive. In some areas of the country where high-tech industries are not prevalent, this building could be used as a showroom or as pure office. These properties are sometimes called "Flex buildings."

OFFICE MARKETS

CBD. Central Business District space located near the historical urban core, commonly associated with traditional government and financial districts in most cities.

Outside CBD. Outside the CBD includes both suburban area and "urban clusters" with areas of high office space concentrations which often rival nearby CBDs.

Class "A." Excellent locations, high quality tenants, high quality finish, well-maintained, professionally managed, and usually new, or old buildings that are competitive with new buildings.

Class "B." Good location, professionally managed, fairly high quality construction and tenancy. Class "B" buildings generally show very little functional obsolescence and deterioration.

Total Inventory. Total square footage (sf) of rentable space, vacant and occupied, ready for tenant finish. Does not include owner occupied space.

Vacant Inventory. Total square footage of vacant rentable space, including sublease.

Glossary of Terms

Current Construction. Total square footage presently under construction includes any space that will be available for occupancy before the end of 1991.

Substantial Rehabilitation. Repair/replacement of building interior finish and/or systems requiring temporary displacement of tenants.

Net Absorption. Net Absorption refers to the net change in occupied stock.

Rental Rate. Minimum, maximum, and weighted average quoted gross rental rate for competitive office space in each class, in U.S. dollars per square foot ($/sq. ft.).

Gross Rental. Services included in the rental rate vary from market to market.

Sales Prices. Minimum, maximum, and weighted average sales prices for competitive office space in each class, in U.S. dollars per square foot ($/sf).

Weighted Average Rental Rate. Average quoted rental rate weighted by the vacant space available at the rental rate, in each class.

Average Utility Rates. Figures presented are dollars per square foot per year.

Standard Work Letter. Sometimes called a construction rider, this refers to the work that the landlord will do for the tenant, typically to finish out the interior of the space.

Typical Parking Ratio. The ratio refers to the availability of parking spaces per number of square feet leased by a tenant.

Operating Cost Escalation. Operating cost escalation refers to the procedure used to adjust rents over the term of a lease.

Cumulative Discount Rate. The rental rate discount factor is the cumulative effect of landlord lease concessions on gross rental rates. It is expressed as a percentage of base rent.

MISCELLANEOUS TERMS

Trophy Property. A broad characterization of the target of institutional and/or offshore investment interest. This is generally used to identify a highly visible property of excellent reputation, in the absolutely highest echelon of its property class. The term is applied almost exclusively to CBD office buildings in the largest markets, to prime hotel properties, and to super-regional shopping centers.

Maquiladora. The twin plant operation which has grown up along the U.S./Mexico border, in which goods are shipped into Mexico for assembly and finishing work using lower cost labor, and then are distributed through the U.S. market. Import duties are payable only on the imputed value added in the assembly process.

FIRE Sector. An acronym standing for Finance, Insurance and Real Estate, one of the major industry groupings in the Standard Industrial Classification system established by the U.S. Department of Commerce.

Back-filling. A colloquialism referring to the re-leasing of space once occupied by a tenant which has relocated elsewhere.

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OVERVIEW

ECONOMIC CONDITIONS

SIOR's researchers and reporters found their market survey questionnaires in the mail just as it became apparent that the United States was sliding into its ninth recession of the post-World War II era. It is hardly surprising that their responses so frequently included commentary on the effects of a business slump in their local cities and towns.

While the data and explanatory remarks submitted by the SIOR respondents surely do not uplift the spirit, it is remarkable how few were startled by the downturn. For these property professionals, it was clear that the stage had been set for recession.

Our economic commentary a year ago rehearsed a litany of the excesses of the Eighties and indicated that business contractions pinch at the points where excess is most acute. This recession is no exception to that rule. During the past decade, America piled high a mountain of debt, built enormous stocks of commercial property, expanded a bulging services sector without improving its productivity, and forgot the painful lessons of the Seventies concerning dependence on Middle East oil. Is there any question about where the principal pains of the economic slump are to be felt?

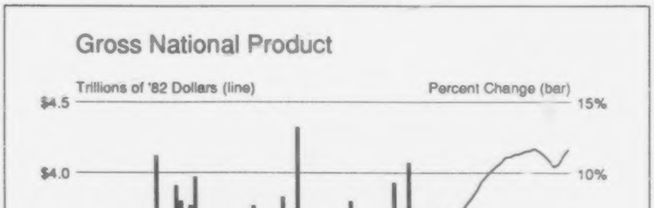
MEASURES OF RECESSION

The turning point for the national economy occurred during the Summer of 1990, roughly concurrent with the Iraqi invasion of Kuwait. The combination of Iraq's land grab and the instant resort to a military response by the U.S. and its allies sent consumer confidence plunging, taking the economy with it into recession. But for the Middle East crisis to have triggered the fall so quickly and so convincingly, we must recognize that the nation must already have been teetering on the brink.

Last year on these pages we sketched an outline of the "subsidence economy." Briefly defined, the subsidence economy is characterized by longer economic cycles than typical of the past twenty-five years, with less robust expansionary peaks and shallower recessionary troughs. If this view of the macro-economy proves correct, the current recession could last through the third quarter of 1991, with a decline in real GNP of 2.5 percent, and an unemployment rate rising to about 8 percent.

Although we suspect that the official dating of the recession will be eventually marked as beginning last August, the Fourth Quarter of 1990 was the first period in which real Gross National Product declined — falling 2.0 percent in the Commerce Department's revised estimate. Interestingly, the detailed components of GNP suggest that the entire contraction, amounting to $33 billion in 1982 dollars, could be related to a pullback in domestic private investment. About seven billion dollars of this total was attributable to retrenchment in housing, and six billion dollars in a reduction in non-residential fixed investment.

At a 2.5 percent annual level of real GNP loss, the value of U.S. goods and services would drop an additional $70 billion before the recession bottoms out. SIOR's observers seem to feel that real estate will bear a significant burden during this period, an expectation that is likely to be well founded.



Source: US Department of Commerce; Landauer (projection)

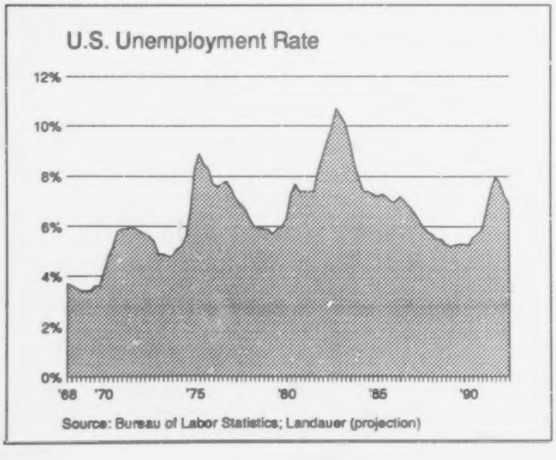
Prior to the onset of recession, nonagricultural jobs had risen from 117.3 million in 1989 to 118.3 million in May 1990. At that point, we seemed to be on track toward the 2.3 million job gain projected in last year's outlook. By January 1991, though, civilian employment had dropped to 116.9 million and, if unemployment were to peak at 8 percent, the nation could see a loss of an additional two million jobs before the end of the year.

Since January 1990, the number of construction jobs in the United States has fallen by 460,000, approximately 47 percent of the total decline in the goods-producing sector. Over the same twelve-month period the services-producing sector has expanded by 1,122,000 jobs. But the once robust FIRE sector (Finance, Insurance and Real Estate) is beginning to retreat, and is now 30,000 jobs below its pre-recessionary peak. While this hardly constitutes a full-scale crisis in FIRE (the loss is equivalent to 0.4 percent of jobs in the sector), layoffs in banking and related institutions are symptomatic of weakness in the financial system and inclines lenders toward a conservative stance in the near term.

Since the availability of credit is one of the preconditions for a resumption of economic growth, the consequences of the financial industry's troubles will prolong the general business downturn. Tightness in the financing arena was very much on the minds of the SIOR members as they prepared their reviews of 1990 and outlooks for market activity in 1991.

Industrial production expanded a modest 0.8 percent last year, with both the durable and the soft goods sectors growing about equally. Government-maintained production statistics show that the expansion of the industrial sector kept its momentum through September or October. Since then, durable goods production, especially consumer durables, business equipment, and construction supplies, has dropped 3.3 percent. Nondurable goods for consumers and general business supplies have held steady, finishing the year at about the same level as in 1989.

For industrial property markets, this means that those facilities connected with heavy industry are feeling early effects of the national business contraction. Other areas have the potential for a reprieve if the recession is foreshortened. Most SIOR reporters have taken a cautious approach in their projections for 1991, but the reader will find that a number of industrial property markets are expected to ride out the recession without severe losses.


U.S. Unemployment Rate

Source: Bureau of Labor Statistics; Landauer (projection)

The capacity utilization rate for manufacturing slipped from a 1989 peak of 83.9 to 79.3 percent by December 1990. Coupled with the moderate four percent increase in wages and salaries during the year, this should keep inflation within bounds for 1991. The pullback in energy prices from their autumn spike also puts downward pressure on the Consumer Price Index early this year. There is no sign that the Federal Reserve has dismissed the inflation threat from its fundamental policy agenda. Our argument for a sustained low inflation environment through the mid-Nineties, averaging three percent annually by 1995, still seems to merit confidence.

Recessions are fought with several weapons, but low interest rates are among the most powerful. By late February 1991, short-term Treasuries stood at about six percent, and the 30-Year Government Bond was at eight percent. Commerical banks had aggressively lowered their Prime Rate to 8.75 percent, in response to Federal Reserve efforts to re-liquify the economy. But the U.S. finds itself in a peculiar circumstance where even an attractive interest rate environment may not be sufficient to stimulate much growth in loan volume.

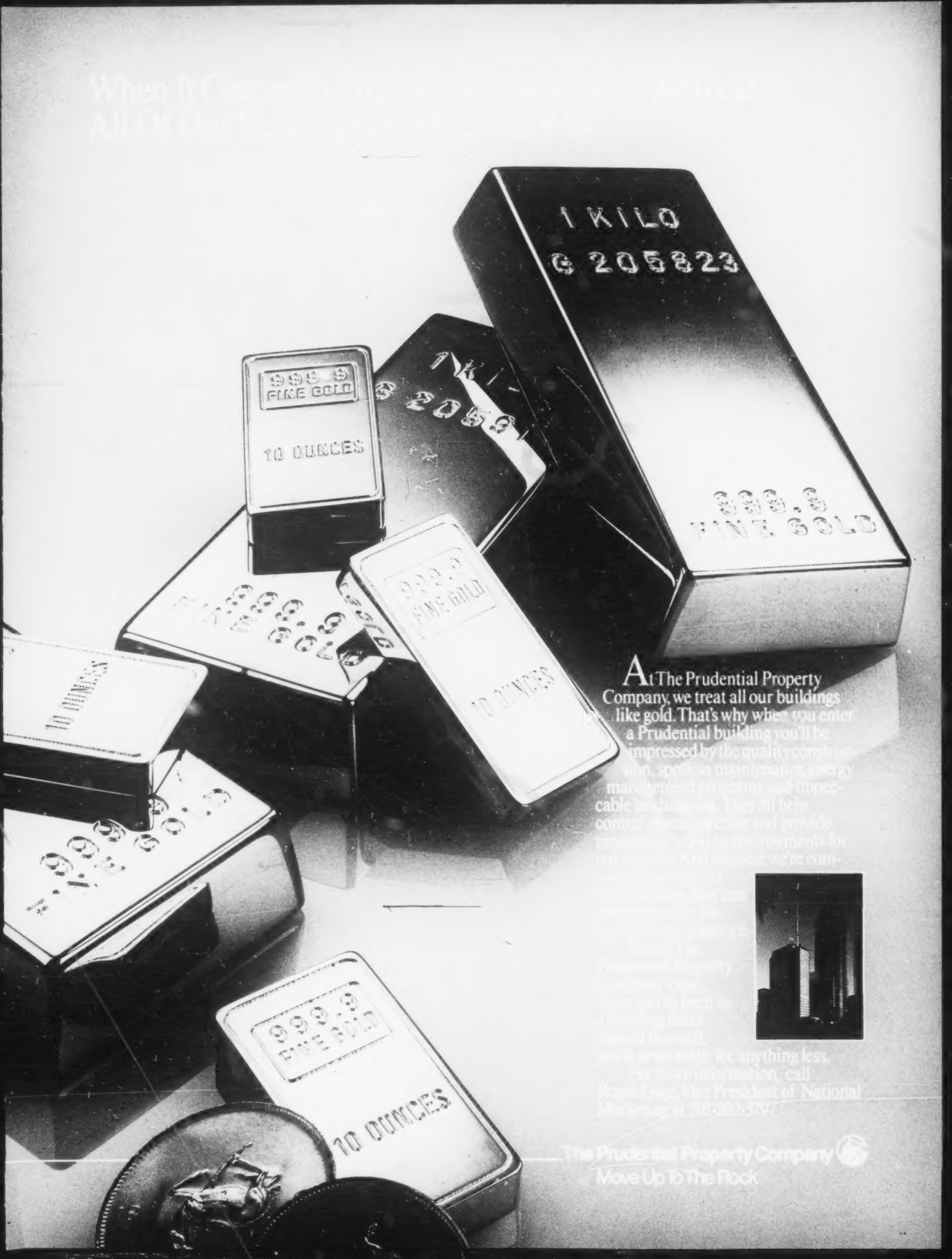
THE SQUEEZE ON CREDIT

The price of money, in fact, played an insignificant role in the credit tightening afflicting the economy last year. There was an upward push in rates during 1990, but interest costs stayed comfortably within the narrow range typical of the post-1985 subsidence economy. The credit squeeze was seen more in loan policy than loan price. Lenders were fearful of booking new assets, and overextended borrowers were not inclined to take on more debt.

There were, first of all, fewer suppliers of credit. Nearly 500 thrifts have gone out of business since January 1989. Consolidation in the commercial banking sector has been occurring simultaneously, as regulators from the Office of the Controller of the Currency pore over the books and direct divestitures in the interest of keeping the Federal Deposit Insurance Corporation afloat. Even with these efforts, the FDIC has been required to ask Congress for a $10 billion funding package to get through this year.

In this environment, loan approvals are extremely hard to come by. Loan officers are well aware that no one is going to be fired for being too conservative in real estate lending, especially during 1991.

Reinforcing the much stricter supervisory atmosphere, are the higher capital requirements being pressed by the Financial Institutions Reform, Recovery and



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Enforcement Act (FIRREA) and by the Bank for International Settlements. These encourage the near-term shrinkage of banks' asset bases, particularly in a period where the stock market is severely discounting the price of bank shares.

On the long side of the market, insurance companies and pension funds were in the mood to shrink their portfolios. The life insurance companies were increasingly skittish about news reports of major loan losses such as those suffered by The Travelers. American Council of Life Insurance data showing deliquencies and foreclosures in real estate reached alarming levels. For many real estate officers the word was passed along, "Skinny down the portfolio."

Advisors to the pension fund industry, meanwhile, flew around the country preaching a message of reduced allocations to real estate, as a result of disappointing yield performance measured by the National Council of Real Estate Investment Fiduciaries/Frank Russell Company Index.

For the first time since the national real estate depression of the mid-Seventies, it seemed, the pool of capital available to real estate was smaller at the end of 1990 than it had been a year earlier.

No wonder, then, that we have found a consistent refrain in the SIOR market survey forms — building construction and transaction volumes will be down in 1991 because of the unavailability of credit. An objective observer might grant that, while few commercial property markets are not oversupplied, current behaviors are making credit scarce even for sound deals. But the financial institutions have undoubtedly been burned, and we should expect that stringent credit conditions will apply to real estate, and to ventures of comparable risk, for several years.

WAR IN THE PERSIAN GULF: ECONOMIC EFFECTS

As the Nineties began, a euphoric mood was sweeping the nation, proclaiming the end of the Cold War and the beginning of a Pax Americana. Domestically, there was considerable talk of a "peace dividend" which would reallocate Federal resources away from military spending toward other pressing national needs.

President Bush was nothing if not brutally candid in his observation that dividends are normally paid out of profits, and he is running a nation that is recurrently in the red. Last year, SIOR's reporters frequently saw local economic contractions resulting from cuts in defense spending, but few opportunities for additional market activity from a redistributed Federal pie.

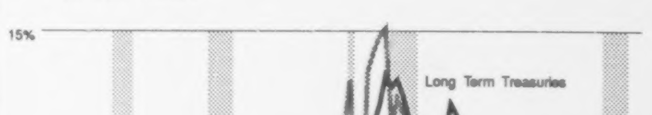
The national mood shifted suddenly with Iraq's takeover of Kuwait, the immediate military response last August, and then the start of hostilities in January 1991. At the time this report was being prepared for publication, an Iraqi surrender appeared to be near. From an economic standpoint, we are left with a question of whether the war has materially affected conditions within the U.S. itself.

Federal Reserve Chairman Greenspan argues that we were on target to achieve an economic "soft landing" had it not been for the onset of the Middle East crisis last summer. The evidence seems to be in the Fed's favor in making its case that Iraq's aggression tipped a fragile economy over the edge.

The elements of that fragility remain today. However, the domestic economy is likely to find that it was easier to slip down the slope into recession than it will be to climb back out again. Recession, in fact, is a frequent aftermath of war and the cessation of hostilities itself does little to promote economic expansion. The rapid prosecution of the war to a conclusion did serve to mitigate the negative consequences of a longer, wider war which could have destroyed much of the world's energy production capacity.

Most immediately, consumer confidence and the stock market may rise, particularly as nationalistic fervor is fanned by military success. Inflation fears will also

Interest Rates



Source: US Department of the Treasury; Landauer (projection) ease as concerns about oil and gas shortages are put aside. But most of the other elements of the excessive Eighties remain uncorrected, the costs of the war have to be added to the national debt, and recovery therefore is likely to take some time.

This may not be as bad as it seems. Many have grown suspicious of the quick fix and there is a growing body of opinion that in a race between the tortoise and the hare, taking the odds on the tortoise could have some merit.

BEYOND THE RECESSION

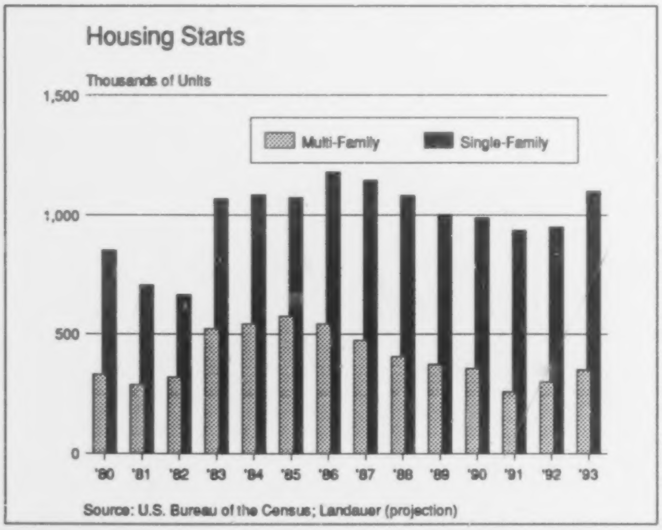
It is virtually certain that the U.S economy will have resumed growth by the end of 1991. What are the triggers to watch for? Look first for a further improvement in U.S. export volumes. The exchange value of the dollar is now at its lowest level since 1980 and a steady march toward an improved balance of trade is one of the key economic shifts of the decade of the Nineties. Productivity rates (output per American worker) in the manufacturing sector are now quite competitive with those of our trading partners, as the goods producing sector re-establishes its credentials in the international marketplace.

Next, the decline in interest rates will begin to have its desired effect on borrowing. The most likely sector to improve before the end of the year is single-family housing. More affordable mortgage rates will stimulate home starts, which may touch recession lows of just a million units on an annualized basis this spring. An increase in housing production generates a ripple effect, as the need for consumer durables such as refrigerators and other home appliances further stimulates the manufacturing sector.

Bank lending into these basic sectors of the economy should proceed without much trepidation, as the credit quality of single family mortgages and related consumer credit has stayed demonstrably stronger than other bank assets.

This is a prescription for a rather slow and conventional recovery. The heavy debt burden of the Federal Government and the still bloated balance sheets of corporations strongly indicate that stimulus from these sources is just not in the cards. Commercial construction, therefore, will be lagging. The absence of strong office and industrial building activity means that the upward slope of the economy will be quite gradual.

Among the property sectors, the industrial market should improve first as manufacturing leads the rebound. The services sector, especially in its office occupations, must look to 1993 or beyond for meaningful growth. Even then the probability of new construction is strictly limited by the lingering oversupply of office space.



Source: U.S. Bureau of the Census; Landauer (projection)

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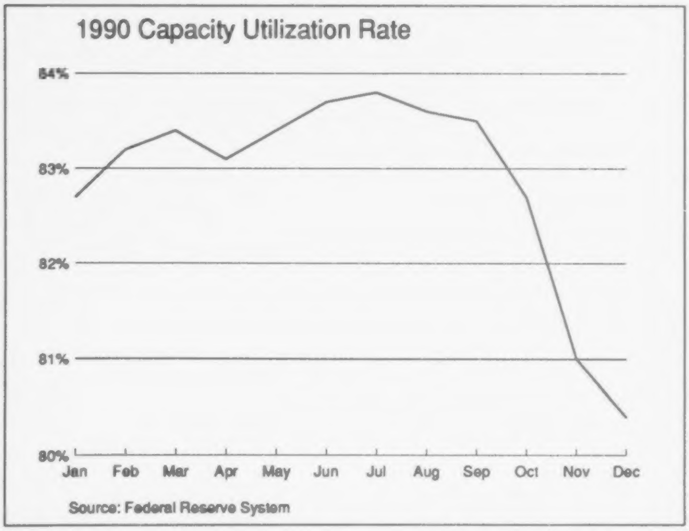
NATIONAL INDUSTRIAL PROPERTY MARKET

One hundred twenty-nine industrial property markets are included in this year's volume of *Comparative Statistics of Industrial and Office Real Estate Markets.* These markets contain more than 10.2 billion square feet of warehouse/distribution, manufacturing, and High Tech/R&D facilities. The majority of the markets are situated within the United States, but through the cooperation of international members and affiliates of the Society of Industrial and Office REALTORS® (SIOR) seven cities in Canada, Mexico, Great Britain, France, and Norway have also been included. Based upon median sales price information extracted from the database, the value of the industrial inventory in these markets appears to exceed $250 billion dollars.

The international markets included several which are quite large. Mexico City and Toronto, for example, have industrial inventories which place them in the ten largest markets included in this year's survey. Cross-border comparisons of markets can be tricky, however. Not only are currency differentials to be taken into account, but business practices and standard market definitions sometimes don't translate well.

For this reason, many of the statistical comparisons presented in this introductory section refer to U.S. markets only. A more truly global approach will surely be required in the not-too-distant future. The Free Trade Agreement which exists between Canada and the United States makes side-by-side consideration of, say, the Toronto and Buffalo markets of pressing interest. A similar agreement with Mexico is in well-advanced stages of preparation as the burgeoning maquiladora industry forges an intimate link between markets like El Paso and Ciudad Juarez. The European "single market" which officially opens next January 1st will further invite a common consideration of markets on both sides of the Atlantic.


1990 Capacity Utilization Rate

Source: Federal Reserve System

All the same, there is ample material for study in the U.S. statistics alone. Tough economic times are straining virtually all sections of the nation in early 1991, and the industrial property market can be an excellent monitor of the economic vital signs. It is in industrial real estate, of course, that our future products are researched and designed, fabricated and assembled, channeled to manufacturers, and distributed into retail networks.

So, how are the industrial markets doing? Not quite so well as a year ago, unfortunately. Landauer's analysis of the SIOR database tallies approximately 944 million square feet of idle industrial space nationwide, a vacancy rate for all markets measuring 9.2 percent. This is a sharp rise from the 8.1 percent vacancy rate seen just a year ago, a significant weakening in so large a sample of properties.

The statistical distribution of properties in the sample has changed over the year, and this makes it important to be cautious in interpreting year-to-year differences. Central city industrial properties, which are typically older than the suburban stock, account for 40 percent of our total inventory this year, up from 35.3 percent in the *1990 Guide to Industrial and Office Markets.* This broader CBD sample may, in turn, explain the steeper rise in downtown industrial vacancies, which rose from 7.8 percent in 1989 to 9.6 percent in 1990.

Suburban markets also found their inventory of empty space growing. Vacancy rates outside the CBDs stepped up from 8.2 percent to 8.9 percent over the year. Given the unknowns which might be hidden by the shift in the nature of the sample, we could not be completely confident in saying that the core cities are being disproportionately hurt by the recession. But the evidence suggests that is a lead worth pursuing.

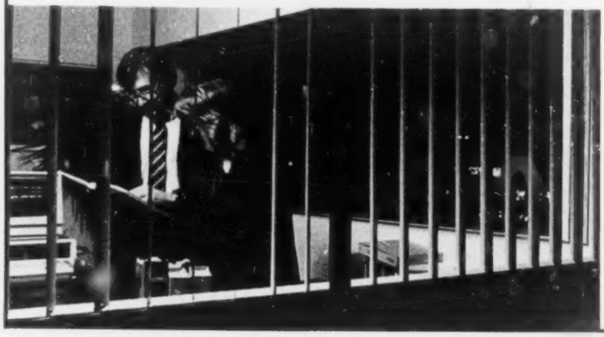
Just going by the numbers, though, it seems that the balance between the urban and suburban markets has shifted recently. Where a year ago the rapid addition of new inventory (more common in the suburbs) was a prime suspect as a cause for market softness, in 1990 we saw a less active period of development. In recessions, older and less efficient industrial capacity is the first to be shuttered, and the 1.8 percentage point rise in CBD vacancies might well be viewed in conjunction with the lower capacity utilization rates cited in the Economic Conditions section of this report.

The debate pitting commentators attributing real estate's problems to overzealous developers versus those citing unpredictable shifts in demand may never have a clear champion declared. Our arithmetic this year may help clarify some of the terms of the discussion. Net absorption is defined as the year-to-year change in occupied space. In 1989, net absorption amounted to 2.5 percent of the total stock of industrial property. The net absorption rate for 1990 was 1.7 percent. This indicates a 0.8 percent drop in the rate of demand growth. Since the overall vacancy rate rose about 1.1 percent for the year, we can make the inference that the difference, three-tenths of a percent, must be explained on the supply side of the equation. For this year, at least, the developers are off the hook in the search for immediate causes of the market's ills.

If the major story in the statistics involves stress and strain, it is natural to wonder where the most troubled markets are. Table 1 lists the ten markets with the highest 1990 vacancy rates reported by SIOR's market specialists. The difficulties in these markets are very real. Their idle space ranges between 20 and 37.5 percent, and adds up to a whopping 96.1 million square feet.

But an equally telling measure of the softening industrial market is the shrinking number of very strong locations. The number of markets with occupancy of 95 percent or higher dropped by a count of eight, from 22 to 14, between 1989 and 1990. Table 2 displays the ten strongest markets based simply upon the criterion of low vacancy in the year just past.

As we warned last year, the reader should be wary of facile generalizations about what makes for strong or weak markets. It is particularly instructive to compare Table 1 and Table 2. Not only would it be hard to draw a pattern of market size or of regional location from either table, but it is striking to note the contrasting performances of geographically close cities. Look, for instance, at Grand Rapids vs. Jackson, Michigan; Quad Cities vs. Sioux City, Iowa; or Richmond vs. Roanoke, Virginia. While highly sophisticated



"Productive meeting... what are you thinking?"

"Everything seems to point to selling the property. But I don't think we're there yet. We've got to keep pushing."

"Let's rerun the numbers to test several alternatives."

"What about relocating the lead tenant? We have a couple of good options for them."

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Table 1

HIGHEST VACANCY RATE INDUSTRIAL MARKETS FOR 1990

Jackson, Michigan	37.5%
Quad Cities, Iowa	35.0%
San Bernardino, California	33.3%
Wilmington, Delaware	29.4%
Boston, Massachusetts	28.3%
Wichita, Kansas	28.3%
Tucson, Arizona	27.6%
Richmond, Virginia	24.6%
Gary, Indiana	22.0%
Phoenix, Arizona	20.0%

Table 2

LOWEST VACANCY RATE INDUSTRIAL MARKETS FOR 1990

Honolulu, Hawaii	1.7%
Sioux City, Iowa	2.3%
Grand Rapids, Michigan	2.3%
Cincinnati, Ohio	2.4%
Las Vegas, Nevada	3.0%
Roanoke, Virginia	3.0%
Seattle, Washington	3.5%
Nashville, Tennessee	3.6%
St. Louis, Missouri	4.0%
Columbus, Ohio	4.8%

arguments for geographic diversification of real estate portfolios have been advanced during the past few years, reaping the benefits of such a strategy clearly requires more in-depth market knowledge than merely a good map and a fast calculator.

To assist in visualizing the distribution of vacancy conditions in markets around the nation, we have prepared the accompanying graph arraying the 106 markets for which occupancy data was provided this year. The graph depicts where selected markets find themselves along the vacancy spectrum.

Vacancy Distribution

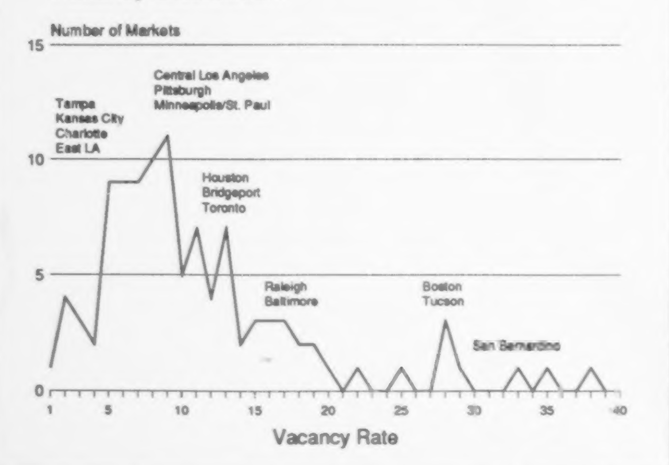


Table 3 shows the rate of vacancy in the ten largest U.S. industrial markets covered this year in SIOR's survey. The data are intriguing. Although four of the ten markets have vacancy rates below the 9.2 percent national average, as a class these big cities are in serious trouble. Their composite vacancy rate is 10.4 percent. This adds up to over 343 million square feet of vacancies, more than one-third of the total availabilities across the country. Serious problems can be found in former boomtowns like Dallas, Houston, and Atlanta, as well as in older manufacturing markets like Cleveland and the New York City boroughs of Brooklyn and Queens.

An encouraging line of strength can be traced in Table 3 from Pittsburgh, through Cincinnati and Chicago, to Minneapolis. In the 1990 - 1991 recession, the once-derided Middle West may more than hold its own.

But if the largest markets are bad, the smallest markets are worse. Landauer's review of markets whose industrial inventory is 10 million square feet or less indicates a composite vacancy rate at a startling 16.5 percent level. Some of these small markets (Quad Cities, Tucson, Wichita) are listed in Table 1's roster of extremely high vacancies.

Which market size shows the most efficient level of space utilization? The answer emerging from the database is:

those markets ranked eleven through thirty in total inventory, ranging from Milwaukee (187 million square feet in inventory with a vacancy of 5.9 percent) to Charlotte (100 million square feet of industrial stock and vacancy at 5.0 percent). As a group, these twenty cities register just over three billion square feet of industrial space, and have an aggregate vacancy rate of 8.3 percent, nearly a full point below the national average.

Several of the top ten occupancy markets listed in Table 2 fall into this market size category, including St. Louis, Seattle, Nashville, and Columbus. Other strong performers in the group are Indianapolis, Kansas City, Miami, Portland (Oregon), and Los Angeles' San Fernando Valley.

Landauer's analysis of the composition of absorption shows only minimal changes from the results reported in the SIOR *Guide* a year ago. In 1990, 60.6 percent of all absorption flowed to the warehouse/distribution sector, 25.1 percent to manufacturing, and 14.4 percent to High Tech/R&D facilities. No one of these sectors gained or lost more than two percent of its share of demand compared with 1989.

Correlating the absorption patterns with vacancies reveals a telling market adjustment from a year ago, however. Sixty-one markets can be classified as distribution intensive, i.e., as having warehousing absorption percentages exceeding the 60.6 percent national norm. These markets averaged a 10.5 percent vacancy rate in 1990, much weaker than the benchmark national vacancy rate.

Forty-six markets, on the other hand, can be viewed as manufacturing dominant, adopting the criterion of a higher-than-average absorption ratio to the production sector. These cities calculate a vacancy rate of 7.4 percent.

The composition of absorption/vacancy rate relationship is just the reverse of our findings published last year. While the domestic consumption economy was stunned by the drop in the buying public's confidence last summer, America's export industries took advantage of the declining exchange value of the dollar to produce for overseas markets. As we pointed out in the *Guide* last year, the pundits sounding the death knell of U.S. manufacturing may find themselves in full retreat before the decade is over.

Those seeking to purchase industrial property for use or for investment will find the price data incorporated in *Comparative Statistics* to be helpful in their initial investigation of opportunities. Sales prices are broken out by CBD and suburban locations, and by a variety of size categories. Recent price trends and an outlook for price movement in 1991 are also included, based upon the observations of SIORs in the market on a daily basis.

Table 3

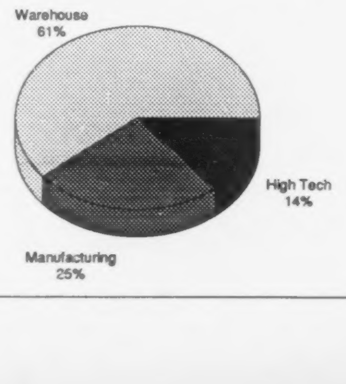
TOP TEN U.S. INDUSTRIAL MARKETS BY TOTAL INVENTORY

Market	Inventory (MM s.f.)	Vacancy (%)
Central Los Angeles, CA	718.2	9.4
Suburban Chicago, IL	525.0	8.6
Brooklyn/Queens, NY	330.0	16.1
Cleveland, OH	277.0	13.4
Cincinnati, OH	267.0	2.4
Pittsburgh, PA	258.0	8.9
Dallas, TX	251.0	10.6
Atlanta, GA	243.4	16.0
Houston, TX	234.0	13.3
Minneapolis/St. Paul, MN	188.2	8.8

Landauer's investigations into the database on prices shows the European markets — Oslo, Norway and the British markets in London and Birmingham — at the top of the price scale. In U.S. dollars, prices for industrial facilities in the 60,000 to 100,000 square foot range are truly stratospheric, exceeding $100 per square foot in the United Kingdom.

Within the United States, California markets head the list of high-value industrials. San Jose and several of

Composition of Absorption
National



the Los Angeles submarkets find industrial prices in the $60 - $65 per square foot neighborhood. Hawaii and suburban areas near New York City can also be found among the ten most expensive markets, with prices between $45 and $55 per square foot. The Eastside market of suburban Seattle, at $50 per square foot, also belongs with this group of high-achieving industrial areas.

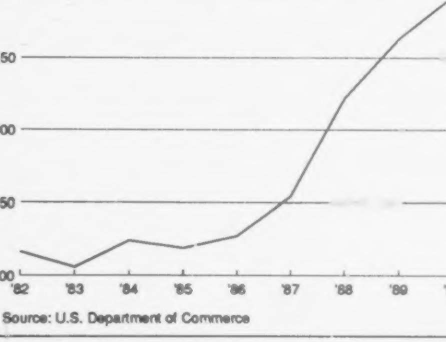
Market size is an indicator of the top-priced markets, as well of markets with healthier vacancy rates. Many of the top markets also fall in the eleven- through - thirty ranking based upon total inventory. Average size for the most expensive markets is nearly 100 million square feet, but none of the ten largest markets attain pricing levels of $45 per square foot. The grouping of lowest price markets, by contrast, average only 28 million square feet apiece.

Several markets with strong High Tech/R&D components are on the top price list. These include San Jose, Orange County (CA), Nassau/Suffolk (NY), and Eastside Seattle. This is a natural result of the large proportion of flex space with higher, more costly landscaping and interior finishes in these markets.

Of course, price is only one indicator of market strength. Investors will be especially sensitive to the relationship between net rents and sales prices within markets. Here, too, the SIOR database of comparative statistics provides useful insights. Landauer finds strong consistency in the relationship between rent and price levels across markets.

There are, however, a few exceptions to the pattern which could offer unusual opportunities for industrial owners. Salt Lake City, Las Vegas, and Minneapolis/St. Paul achieved some of the highest levels of net industrial rent in the nation, for example. But they are not included in those markets with exceptionally high sales prices. An astute investor could be able to identify an opening for realizing above-average returns, based upon such conditions. As always, though, it will be the individual qualities of the property that will tell the tale.

U.S. Merchandise Exports



Source: U.S. Department of Commerce

Quantitative information is the principal raison d'etre for this *Comparative Statistics* compilation. But markets are driven by psychology as frequently as they are by the numbers. SIOR's survey therefore includes an estimation of the outlook for change in market conditions over the coming year.

A number of cities are gripped by recessionary concerns, and their reporters expect industrial market conditions to deteriorate. Several California cities were experiencing such fears, as were New England markets such as Springfield (MA) and New Haven (CT). Balancing the negative outlook, though, were more than a few markets which have been through hard times and now are believed to be on the road to recovery. These include the Texas markets of Fort Worth, Houston, and San Antonio, other energy cities like Denver, Oklahoma City, and New Orleans, and even some New England towns like Bridgeport (CT) and Nashua (NH) where folks think things can't get much worse than last year.

All in all, readers should find this year's edition of *Comparative Statistics of Industrial and Office Real Estate Markets* an exceptionally rich source of basic market information. Industrial markets, it is becoming increasingly apparent, are quite as complex and satisfying as the more glamorous real estate investment vehicles. They are therefore worthy of detailed and serious measurement and analysis, and will reward the attention of the property professional. This volume provides ample material to focus that consideration.

NATIONAL OFFICE PROPERTY MARKET

If real estate bashing is becoming a national pastime, the office markets around the country are the whipping boys that cynics, critics (and creditors) love to hate. For many, the office sector epitomizes the glitz and the greed of the Eighties: the mad overbuilding, the price frenzy, and the spectre of yuppiedom ascendant so chillingly portrayed in *Wall Street* and *The Bonfire of the Vanities.*

But for an estimated 10,625,000 people, office buildings are simply the workplace. For most cities, the downtown is a source of pride and hope — and challenge, too. Many municipalities look to the office sector as a significant component of the tax base supporting essential public services. As a capital stock, America's offices account for over $400 billion in investment value in addition to representing the working environment whose efficiency will be crucial to the economy of the Nineties.

This year's edition of *Comparative Statistics of Industrial and Office Real Estate Markets* again brings to the business community and the general public the most comprehensive array of information on this important asset class available from any individual source. One hundred nineteen office markets are included in the Society of Industrial and Office REALTORS® (SIOR) 1991 survey. The aggregate inventory measured more than 3.2 billion square feet of space.

International market reports have been contributed for cities in the United Kingdom, France, Norway, Canada, and Mexico. Some of these, like Toronto, Montreal, and Mexico City, are quite large markets. Others, Paris especially, are among the most active development markets worldwide. Readers are encouraged to get to know these markets on their own terms. But, as with the industrial markets, comparisons across international boundaries are of questionable validity. We will leave it to future editions of this survey to attack the problems of reliable comparative measures of the increasingly global real estate markets.

Table 4

TEN LARGEST U.S. OFFICE MARKETS - 1990

Market	Inventory (millions of sq. ft.)
Manhattan (NY City)	353.0
Washington, DC	229.1
Chicago	147.8
Houston	122.6
Dallas	117.0
Boston	86.3
Atlanta	76.7
Northern New Jersey	75.3
Philadelphia	70.7
San Francisco	57.5

By far, the vast majority of the data in the 1991 *Comparative Statistics* relates to office markets within the United States. About 1.4 billion square feet of total inventory is located in downtown markets, while suburban space represents about 1.8 billion square feet. Thus the growth of suburban markets propelled them to a 54.5 percent market share in 1990, the culmination of America's sprawl from city to periphery in the second half of the 20th Century.

SIOR's Research Committee has defined Class "A" and Class "B" office space for the purposes of this statistical survey. Class "A" offices are properties with excellent location, high-quality tenants, high-quality finish, well-maintained, professionally managed, and generally new, although old properties which compete directly on all other characteristics also may qualify. Class "B" buildings are those with good location, professionally managed, possessing fairly high construction and tenant quality, and show very little functional or physical obsolescence.

Based upon these definitions, SIOR's local market researchers developed data which, when aggregated, indicate that downtown markets are composed of 68.9 percent Class "A" space. Outside the CBDs, the Class "A" share of the market falls to 62.7 percent. During the past year, the suburbs have increased their Class "A" market share by two percentage points, while the CBD's share of the top-rank inventory has dipped.

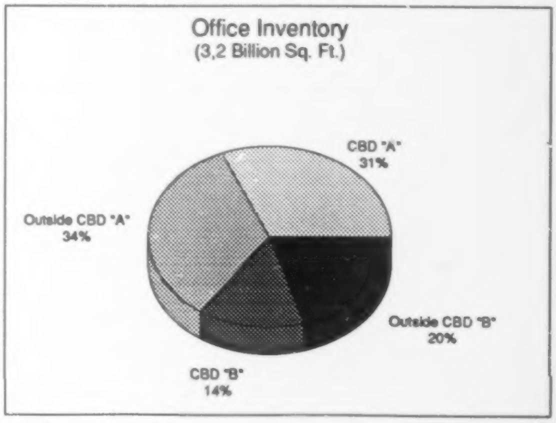


Table 5

HIGHEST VACANCY RATES IN U.S. OFFICE MARKETS - 1990

Jackson, MI	64.7%
San Bernardino, CA	33.5
New Haven, CT	30.0
Melbourne, FL	28.5
Springfield, MA	28.5
New Orleans, LA	28.3
San Antonio, TX	28.2
Oklahoma City, OK	26.9
West Palm Beach, FL	26.1
Dallas, TX	25.8

Table 6

LOWEST VACANCY RATES IN U.S. OFFICE MARKETS - 1990

Honolulu, HI	3.1%
Sioux City, IA	8.6
Marin & Sonoma Co., CA	8.6
Gary, IN	9.0
Albany, NY	9.7
Lansing, MI	10.4
Portland, ME	10.6
Rochester, NY	10.6
Louisville, KY	10.9
El Paso, TX	11.2

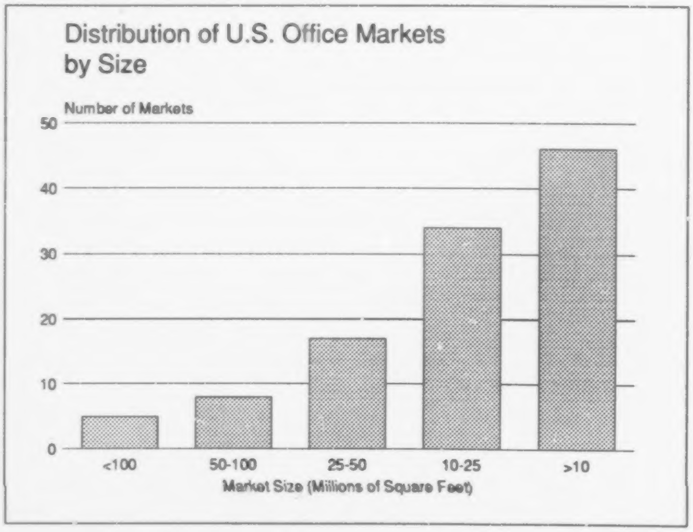
The ten largest U.S. office markets are listed in Table 4, and account for 1,335,000,000 square feet of office space, 46 percent of the domestic total in the survey. Clearly, this property type is extremely concentrated, and cities high on the urban hierarchy capture a disproportionate share of office activity.

While a great deal of the total office stock is concentrated in these major markets, they are hardly the "typical" office markets of the United States. For the 110 U.S. markets with inventory data reported, the average market size was 26.4 million square feet. The histogram labeled "Distribution of U.S. Markets by Size" shows that office markets of 10 million square feet or less are actually far more common throughout the nation.

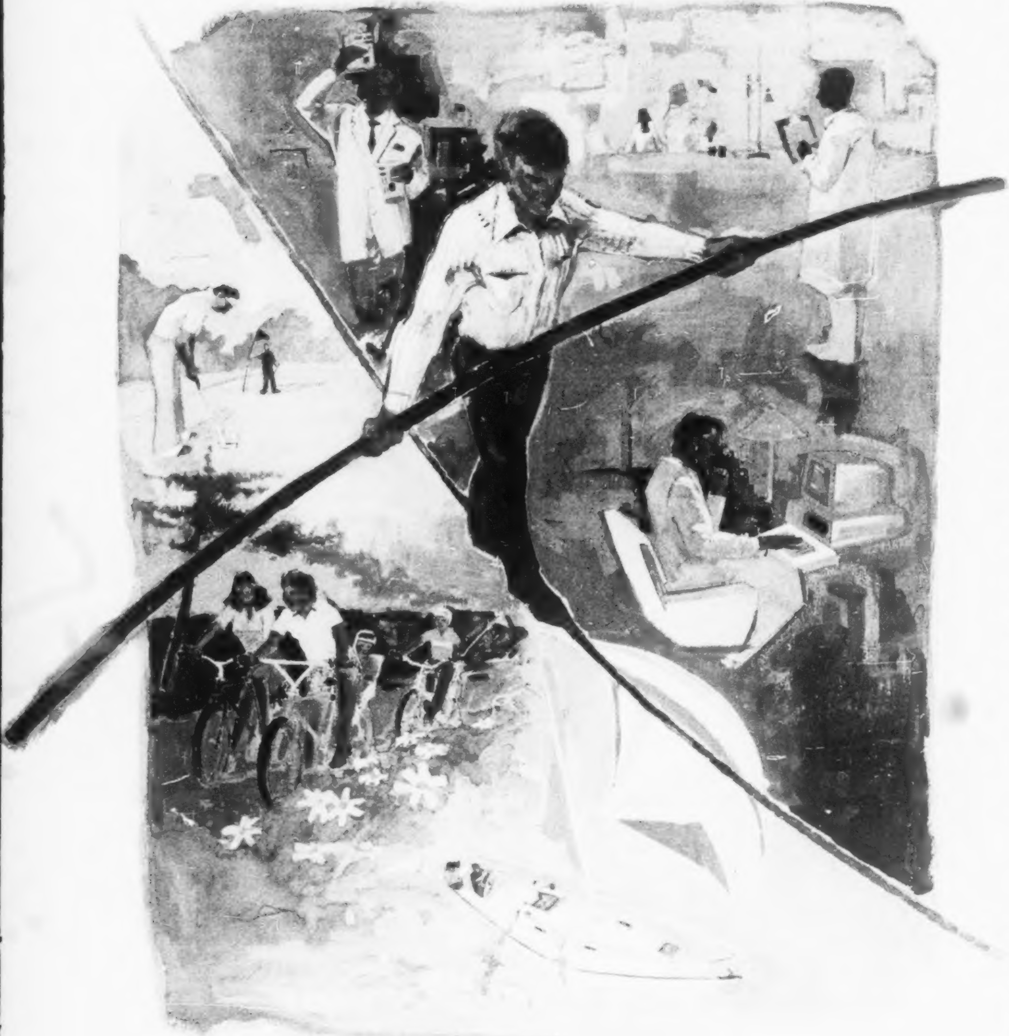
Vacancy rates in the national office market crept up during 1990, but nowhere nearly as dramatically as recent alarming headlines might proclaim. In last year's *Guide to Industrial and Office Real Estate Markets*, the composite growth rate was measured at 16.9 percent at year-end 1989. The figure from year-end 1990 is 17.0 percent, a mere tenth of a percentage point higher. Essentially this tells a story in which virtually all new product developed during the past year was absorbed in the market. While no progress was made in reducing the severely overbuilt condition of the U.S. office market, 1990 did not see a catastrophic turn in supply/demand conditions by any objective measure.

As was the case a year ago, Class "A" CBD space shows the strongest occupancy levels of all market segments. Modern downtown office space shows a vacancy rate of 15.3 percent, well below the national average but a marked weakening over the year from its previous 14.1 percent availability rate. The softening of the downtown market was even more evident in Class "B" space, which registered the highest vacancy ratio of the market segments at 18.5 percent.

In the suburbs conditions actually firmed during the past twelve months. Vacancies are running 18.3 percent for Class "A" buildings and 18.5 percent for Class "B" properties outside the CBDs, down from 18.5 and 19.6 percent, respectively, a year ago.


Distribution of U.S. Office Markets by Size

BALANCE



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On an overall basis, the weakest markets fell into three categories. The regional recession, which was clobbering New England even before last August, took its toll on Massachusetts and Connecticut. Residual problems from the energy downturn of the mid-Eighties still afflict many Oil Patch markets. And young boom/bust markets in California and Florida find new construction running far ahead of current demand. Table 5 lists the ten markets with the highest office vacancy rates in the nation.

The nation's tightest office markets are smaller-than-average cities, with a strong influence of institutional or government tenancy. These were markets that the development boom largely by-passed. Builders and bankers familiar with these local markets astutely measured the amount of absorption likely to be generated by internal growth, and provided no more space than proven demand required. Table 6 presents the list of these relatively strong performers as of year-end 1990. "Relatively" is the operative term: half of the top ten markets show double-digit vacancy rates.

Construction activity underway at the beginning of 1990 was concentrated in the CBD markets, with 60 percent of last year's building volume downtown. This is a partial explanation for the dramatic softening in the Class "A" sector. The weakening of the employment picture in the financial services industry, a prime user of downtown space, must also bear some of the blame for the market's deterioration.

The coming year shapes up as more of the same. While building activity is down, there are still 93.5 million square feet of new development recorded as underway in SIOR's reports. And the downtown markets still see the majority of the cranes, as 58.7 percent of the domestic building activity is found in the CBDs.

The total amount of new construction equates to a 3.2 percent increase over the existing base of inventory. Net absorption, meanwhile, is only measuring 76.6 million square feet, far less than the amount of space under construction, and an identical 3.2 percent of the

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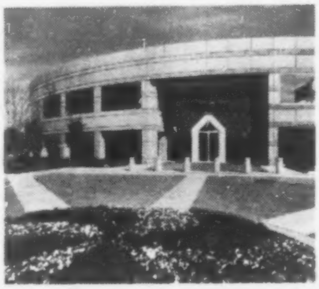

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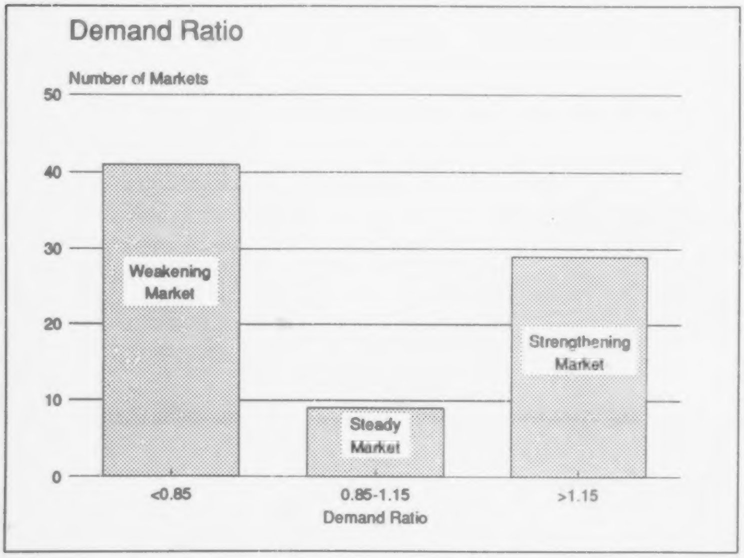
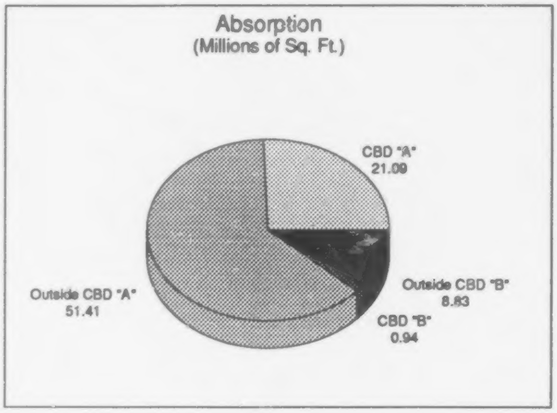
amount of office inventory presently occupied. This would mean that the vacancy rate would be unchanged for 1991, if absorption remained constant this year. Unfortunately, there is scant probability of this occurring in light of the recession. Hence a rise in the national vacancy rate should be anticipated this year.

Landauer's analysis of the demand ratios implicit in the SIOR data confirms this probability. The demand ratio measures the amount of absorption in a local market divided by its new construction. We take a ratio of 1.15 or greater as an indicator of a strengthening market, and a ratio of less than 0.85 as a warning of downside risk. Between these parameters, the market may be termed in a steady state.

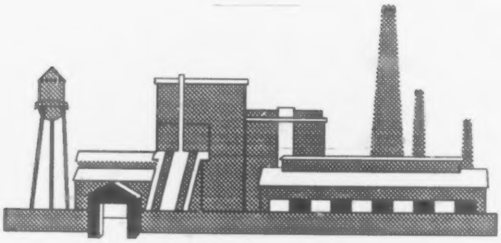
Demand ratios could be calculated for 79 markets in the database. Forty-one of these were weakening; only nine were stable as 1991 began. Twenty-nine markets showed potential for strengthening. This analysis has brought the most encouraging news of any of the calculations in the database. The number of weakening markets was reduced from a year ago, as both the number of steady state markets and of strengthening markets rose over the year. The much tighter construction financing environment, the long-term oversupplied conditions of so many markets, and a regional redistribution of demand are beginning to show positive effects on prospective supply/demand conditions around the country.


Demand Ratio


Absorption
(Millions of Sq. Ft.)

For yet another year, though, the watchword for office markets is caution. It will be another tough period for the real estate industry. It is hoped that for those aided by the information in this year's *Comparative Statistics* volume, forewarned will be forearmed.

INDUSTRIAL MARKETS BY CITY



INTERNATIONAL MARKETS

MONTREAL, QUEBEC: INDUSTRIAL

Baie d'Urfee,Ville d'Anjou,St-Leonard,St-Laurent,Dorval,Pointe-Claire,Beaconsfield,Boucherville,Longueuil,Vaudreuil,Laval,etc.

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	n/a	n/a
Vacant	n/a	n/a
Vacancy Rates	n/a	n/a
Under Construction	n/a	n/a
Net Absorption	n/a	n/a

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	50.00-70.00
5,000 to 19,999 sf	-	45.00-60.00
20,000 to 39,999 sf	-	35.00-45.00
40,000 to 59,999 sf	-	30.00-40.00
60,000 to 99,999 sf	-	25.00-35.00
More than 99,999 sf	-	25.00-35.00
High Tech/R&D	-	45.00-65.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	-	4.50-5.75
5,000 to 19,999 sf	-	3.75-4.50
20,000 to 39,999 sf	-	3.50-4.25
40,000 to 59,999 sf	-	3.50-4.25
60,000 to 99,999 sf	-	3.25-4.25
More than 99,999 sf	-	3.25-4.25
High Tech/R&D	-	7.50-12.00

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	5.50-10.00
2 to 5 acres	-	5.50-8.00
5 to 10 acres	-	3.00-7.50
More than 10 acres	-	2.50-7.00
Unimproved Sites		
Less than 10 acres	-	0.60-1.75
10 to 100 acres	-	0.60-1.50
More than 100 acres	-	0.60-1.50

Prime Source of Financing: Insurance Companies, Owner Financing, Mortgage & Trust Co.

Mortgage Money Supply: Ample

Construction Costs	
Less than 5,000 sf	50.00-55.00
5,000 to 19,999 sf	40.00-50.00
20,000 to 39,999 sf	35.00-40.00
40,000 to 59,999 sf	34.00-38.00
60,000 to 99,999 sf	30.00-32.00
More than 99,999 sf	28.00-32.00
High Tech/R&D	n/a

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Substantial Oversupply
High Tech/R&D	Moderate Oversupply

Composition of Absorption	
Warehouse/Distribution	65%
Manufacturing	30%
High Tech/R&D	5%
Rate of Construction	
Warehouse/Distribution	Down 30%
Manufacturing	Down 30%
High Tech/R&D	Down 30%
Dollar Volume - Sales	
Warehouse/Distribution	Down 30%
Manufacturing	Down 30%
High Tech/R&D	Down 30%
Dollar Volume - Leases	
Warehouse/Distribution	Down 30%
Manufacturing	Down 30%
High Tech/R&D	Down 30%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Lease Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Site Prices	Down 10%
Absorption	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Construction	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Dollar Volume - Sales	Down 10%
Dollar Volume - Leases	Down 10%

DEMOGRAPHICS

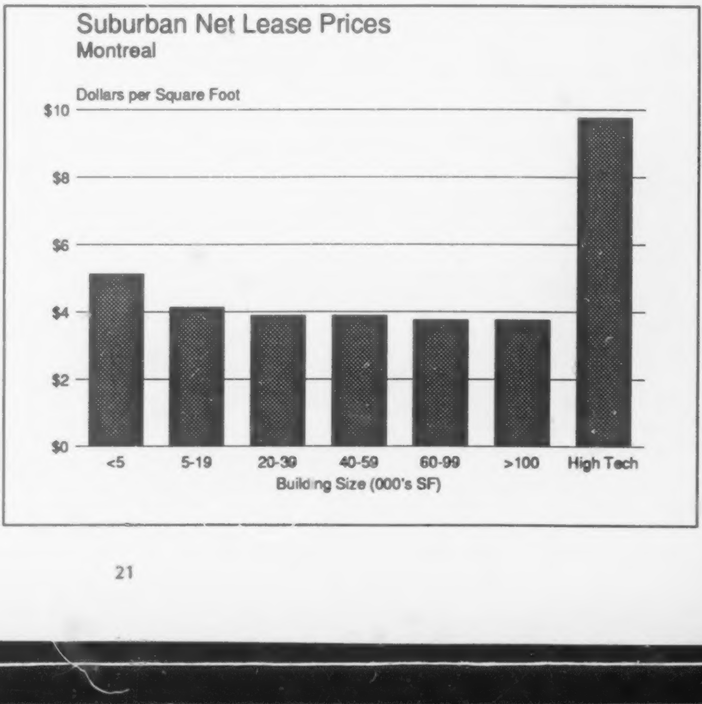
		Rank
Population	n/a	n/a
Population Growth Rate	n/a	
Unemployment Rate	n/a	
Median Household Income	n/a	n/a
Cost of Living Index	n/a	n/a

1990 REVIEW

Suburban Montreal's industrial market slowed substantially in 1990. The local economy has been unsettled by the anticipation of a new goods and services tax, news of recession, and uncertainty surrounding several Canadian constitutional issues. The trend among businesses has been toward contraction rather than expansion. Rents have held firm, but leasing volume has dropped by 30 percent. All property types are overbuilt, with facilities of 100,000 sq. ft. or larger in greatest abundance. Developers have shut off most new speculative projects despite the availability of funding. The majority of construction has been build-to-suit projects.

1991 FORECAST

This year, conditions should stabilize for Montreal after an initial decline of 10 percent for all indicators. Activity should be generated mostly by tenants relocating in order to reduce operating expenses. Mid-sized facilities will see the greatest demand. Planners are devising a strategy for future growth in Montreal's industrial sector. Their goal is to maintain the current quality of life which has successfully drawn business to the area.



TORONTO, CANADA: INDUSTRIAL

Greater Metropolitan Toronto

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	265,000,000	295,000,000
Vacant	29,000,000	43,000,000
Vacancy Rates	10.9%	14.6%
Under Construction	3,000,000	11,000,000
Net Absorption	3,500,000	12,000,000

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	77.50-94.50	60.00-77.50
5,000 to 19,999 sf	60.00-69.00	51.50-69.00
20,000 to 39,999 sf	43.00-69.00	39.00-51.50
40,000 to 59,999 sf	43.00-69.00	34.50-43.00
60,000 to 99,999 sf	39.00-56.00	30.00-39.00
More than 99,999 sf	30.00-43.00	26.00-39.00
High Tech/R&D	n/a	51.50-103.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	3.50-5.50	3.50-5.25
5,000 to 19,999 sf	3.50-5.25	3.25-4.75
20,000 to 39,999 sf	3.25-4.75	3.25-4.25
40,000 to 59,999 sf	3.00-4.00	3.00-4.00
60,000 to 99,999 sf	2.75-4.00	2.75-3.75
More than 99,999 sf	2.50-3.50	2.50-3.25
High Tech/R&D	n/a	5.25-8.50

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	9.50-14.50	7.00-15.50
2 to 5 acres	7.75-13.00	5.25-13.00
5 to 10 acres	6.00-11.25	4.25-10.25
More than 10 acres	n/a	3.50-10.25
Unimproved Sites		
Less than 10 acres	n/a	n/a
10 to 100 acres	n/a	n/a
More than 100 acres	n/a	n/a

Prime Source of Financing: Commercial Banks, Trust Companies

Mortgage Money Supply: Moderate

Construction Costs	
Less than 5,000 sf	39.00-51.50
5,000 to 19,999 sf	30.00-43.00
20,000 to 39,999 sf	30.00-39.00
40,000 to 59,999 sf	26.00-34.50
60,000 to 99,999 sf	26.00-34.50
More than 99,999 sf	17.00-30.00
High Tech/R&D	47.00-64.50

Vacancy Indicators	
Less than 5,000 sf	Substantial Oversupply
5,000 to 19,999 sf	Substantial Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Moderate Oversupply
High Tech/R&D	Moderate Oversupply

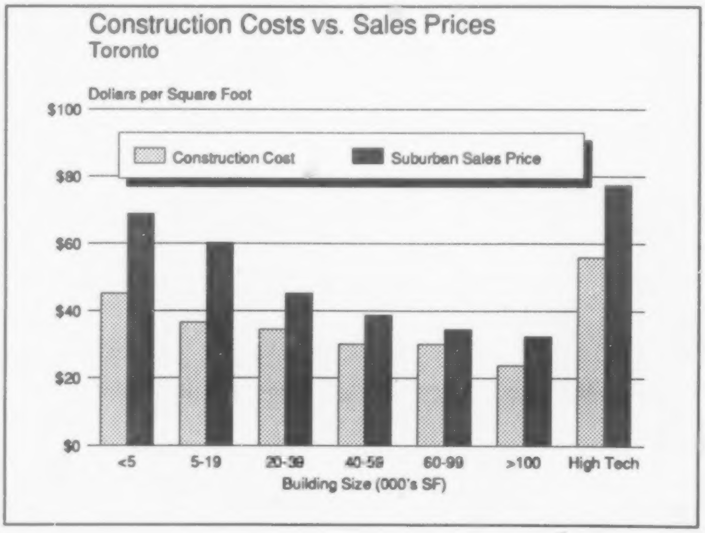
Composition of Absorption	
Warehouse/Distribution	60%
Manufacturing	20%
High Tech/R&D	20%
Rate of Construction	
Warehouse/Distribution	Down 30%
Manufacturing	Down 30%
High Tech/R&D	Down 30%
Dollar Volume - Sales	
Warehouse/Distribution	Down 40%
Manufacturing	Down 50%
High Tech/R&D	Down 50%
Dollar Volume - Leases	
Warehouse/Distribution	Down 30%
Manufacturing	Down 40%
High Tech/R&D	Down 40%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down 5-10%
Manufacturing	Down 5-10%
High Tech/R&D	Down 5-10%
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Down 10-20%
Absorption	
Warehouse/Distribution	Down 5-10%
Manufacturing	Down 5-10%
High Tech/R&D	Down 5-10%
Construction	
Warehouse/Distribution	Down 10-15%
Manufacturing	Down 10-15%
High Tech/R&D	Down 10-15%
Dollar Volume - Sales	Down 10-20%
Dollar Volume - Leases	Down 10-20%

DEMOGRAPHICS

		Rank
Population	n/a	n/a
Population Growth Rate	n/a	
Unemployment Rate	n/a	
Median Household Income	n/a	n/a
Cost of Living Index	n/a	n/a



1990 REVIEW

Unable to weather both tenant downsizing and new construction, the Toronto vacancy rate rose to double digit levels. Double digit interest rates, a sluggish economy, uncertainty about the Goods and Services Tax, and the high Canadian dollar have conspired to slow the market. New construction added several million square feet of new facilities at a time when many companies have put expansion plans on hold. Sublet space has become a factor in the market. Smaller facilities under 20,000 sq. ft. suffer the greatest vacancies.

1991 FORECAST

Trends established in 1990 will persist in 1991. General business malaise will stifle demand and the continued high cost of financing coupled with the high availability rate will slow development. SIOR's market reporter expects that a moderate slowdown in construction and an estimated absorption level of 14 million square feet will help ease the chronically high vacancy rate.

(Note: All dollar amounts are in U.S. dollars.)

BIRMINGHAM, ENGLAND: INDUSTRIAL

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	n/a	n/a
Vacant	n/a	n/a
Vacancy Rates	n/a	n/a
Under Construction	n/a	n/a
Net Absorption	n/a	n/a

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	n/a	130.00
5,000 to 19,999 sf	n/a	120.00
20,000 to 39,999 sf	n/a	120.00
40,000 to 59,999 sf	n/a	120.00
60,000 to 99,999 sf	n/a	120.00
More than 99,999 sf	n/a	120.00
High Tech/R&D	n/a	n/a

Construction Costs	
Less than 5,000 sf	65.00
5,000 to 19,999 sf	60.00
20,000 to 39,999 sf	55.00
40,000 to 59,999 sf	55.00
60,000 to 99,999 sf	55.00
More than 99,999 sf	55.00
High Tech/R&D	n/a

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	n/a	13.00
5,000 to 19,999 sf	n/a	12.00
20,000 to 39,999 sf	n/a	12.00
40,000 to 59,999 sf	n/a	12.00
60,000 to 99,999 sf	n/a	12.00
More than 99,999 sf	n/a	12.00
High Tech/R&D	n/a	n/a

Vacancy Indicators	
Less than 5,000 sf	Moderate Shortage
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Balanced Market
High Tech/R&D	

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	n/a	9.00
2 to 5 acres	n/a	8.00
5 to 10 acres	n/a	7.00
More than 10 acres	n/a	6.00
Unimproved Sites		
Less than 10 acres	n/a	n/a
10 to 100 acres	n/a	n/a
More than 100 acres	n/a	n/a

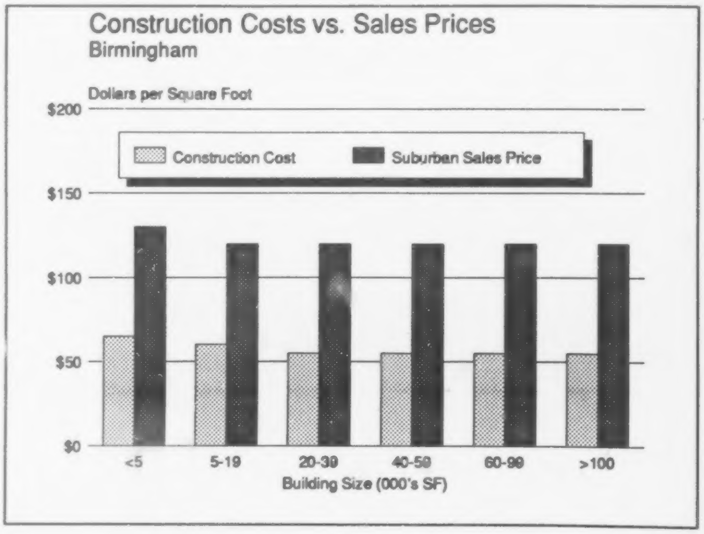
Composition of Absorption	
Warehouse/Distribution	70%
Manufacturing	30%
High Tech/R&D	0%
Rate of Construction	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	n/a
Dollar Volume - Sales	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	n/a
Dollar Volume - Leases	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	n/a

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	n/a
Lease Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	n/a
Site Prices	Same
Absorption	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	n/a
Construction	
Warehouse/Distribution	Down 50%
Manufacturing	Down 50%
High Tech/R&D	n/a
Dollar Volume - Sales	Down 30%
Dollar Volume - Leases	Down 30%

DEMOGRAPHICS

		Rank
Population	n/a	n/a
Population Growth Rate	n/a	
Unemployment Rate	n/a	
Median Household Income	n/a	n/a
Cost of Living Index	n/a	n/a



1990 REVIEW

Demand in the Birmingham industrial market equalled 1989's levels until year-end when activity slowed. As a result, the total number of lease transactions fell in 1990. Relocations to the area generated market activity in 1990. Foreign investors, however, were quiet and aggregate transaction value dropped 10 percent. Although there was generally an adequate supply of available space, units under 40,000 sq. ft. were in short supply.

1991 FORECAST

Birmingham's industrial market will see reduced activity in 1991, with most indicators dipping downward. New construction will slow an estimated 50 percent. Building prices are predicted to fall while site prices will hold at 1990 year-end levels.

LONDON, ENGLAND: INDUSTRIAL

London, England - Outer South/Croydon/Bromley

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	-	-
Vacant	-	-
Vacancy Rates	-	-
Under Construction	-	-
Net Absorption	-	-

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	180.00
5,000 to 19,999 sf	-	170.00
20,000 to 39,999 sf	-	165.00
40,000 to 59,999 sf	-	165.00
60,000 to 99,999 sf	-	165.00
More than 99,999 sf	-	165.00
High Tech/R&D	-	n/a

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	-	18.00
5,000 to 19,999 sf	-	17.00
20,000 to 39,999 sf	-	17.00
40,000 to 59,999 sf	-	17.00
60,000 to 99,999 sf	-	17.00
More than 99,999 sf	-	17.00
High Tech/R&D	-	n/a

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	28.00
2 to 5 acres	-	26.00
5 to 10 acres	-	24.00
More than 10 acres	-	22.00
Unimproved Sites		
Less than 10 acres	-	n/a
10 to 100 acres	-	n/a
More than 100 acres	-	n/a

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	n/a
Lease Prices	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	n/a
Site Prices	Down 10%
Absorption	
Warehouse/Distribution	Down 30%
Manufacturing	Down 30%
High Tech/R&D	n/a
Construction	
Warehouse/Distribution	Down 70%
Manufacturing	Down 70%
High Tech/R&D	n/a
Dollar Volume - Sales	Down 40%
Dollar Volume - Leases	Down 40%

DEMOGRAPHICS

		Rank
Population	n/a	n/a
Population Growth Rate	n/a	
Unemployment Rate	n/a	
Median Household Income	n/a	n/a
Cost of Living Index	n/a	n/a

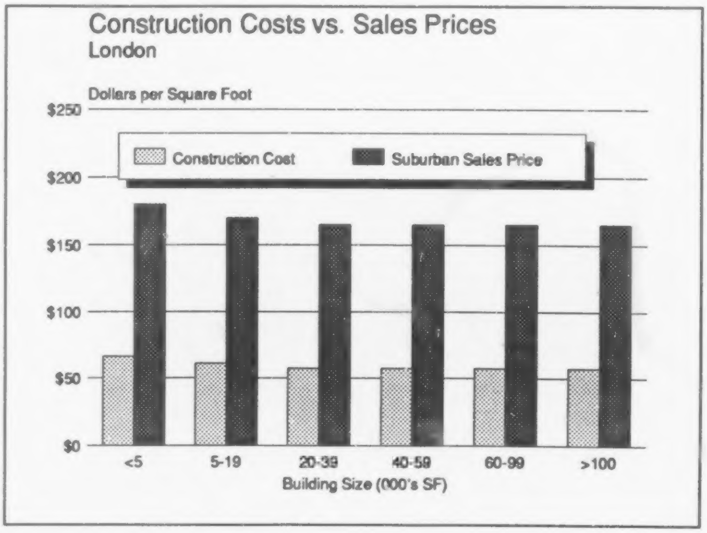
Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Tight

Construction Costs	
Less than 5,000 sf	66.00
5,000 to 19,999 sf	61.00
20,000 to 39,999 sf	57.00
40,000 to 59,999 sf	57.00
60,000 to 99,999 sf	57.00
More than 99,999 sf	57.00
High Tech/R&D	n/a

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Balanced Market
High Tech/R&D	

Composition of Absorption	
Warehouse/Distribution	80%
Manufacturing	20%
High Tech/R&D	-
Rate of Construction	
Warehouse/Distribution	Down 20%
Manufacturing	Down 20%
High Tech/R&D	n/a
Dollar Volume - Sales	
Warehouse/Distribution	Down 20%
Manufacturing	Down 20%
High Tech/R&D	n/a
Dollar Volume - Leases	
Warehouse/Distribution	Down 20%
Manufacturing	Down 20%
High Tech/R&D	n/a



1990 REVIEW

Increased supply has resulted in higher vacancies in London's industrial market. Investment activity remained sluggish although there is competition to purchase well-leased properties in prime centers. Speculative development has been hindered by a reluctance among most lenders to back them. The high price of money in the United Kingdom in 1990 was a major factor in the slowdown. Sales and lease volumes are down 20 percent, revealing a decline in user interest.

1991 FORECAST

London's industrial market will continue to slow in 1991. Tight lending policies will restrict all transactions and shrink construction by up to 70 percent. Absorption levels will drop as users curtail their demand.

PARIS, FRANCE: INDUSTRIAL

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	n/a	n/a
Vacant	n/a	n/a
Vacancy Rates	n/a	n/a
Under Construction	7,800,000	12,000,000
Net Absorption	n/a	n/a

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	n/a	n/a
5,000 to 19,999 sf	180.00	120.00
20,000 to 39,999 sf	n/a	n/a
40,000 to 59,999 sf	n/a	n/a
60,000 to 99,999 sf	n/a	n/a
More than 99,999 sf	n/a	n/a
High Tech/R&D	240.00	160.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	n/a	n/a
5,000 to 19,999 sf	16.00	10.00
20,000 to 39,999 sf	n/a	n/a
40,000 to 59,999 sf	n/a	n/a
60,000 to 99,999 sf	n/a	n/a
More than 99,999 sf	n/a	n/a
High Tech/R&D	20.00	12.00

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	n/a	n/a
2 to 5 acres	n/a	n/a
5 to 10 acres	10.00-12.00	8.00
More than 10 acres	n/a	n/a
Unimproved Sites		
Less than 10 acres	n/a	n/a
10 to 100 acres	n/a	n/a
More than 100 acres	n/a	n/a

Prime Source of Financing: Commercial Banks, Owner Financing, Leasing

Mortgage Money Supply: Moderate

Construction Costs	
Less than 5,000 sf	n/a
5,000 to 19,999 sf	n/a
20,000 to 39,999 sf	60.00-70.00
40,000 to 59,999 sf	n/a
60,000 to 99,999 sf	n/a
More than 99,999 sf	n/a
High Tech/R&D	80.00-100.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Substantial Shortage
High Tech/R&D	Moderate Oversupply

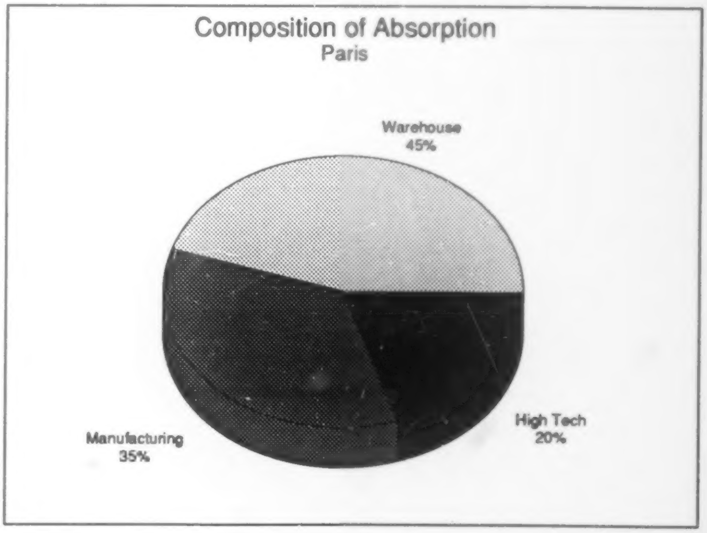
Composition of Absorption	
Warehouse/Distribution	45%
Manufacturing	35%
High Tech/R&D	20%
Rate of Construction	
Warehouse/Distribution	Down 10%
Manufacturing	Up 10%
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Up
Manufacturing	Up
High Tech/R&D	Up
Dollar Volume - Leases	
Warehouse/Distribution	Up
Manufacturing	Up
High Tech/R&D	Up

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Up 5%
Absorption	
Warehouse/Distribution	Up
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Up
Manufacturing	Up
High Tech/R&D	Same
Dollar Volume - Sales	Same
Dollar Volume - Leases	Up

DEMOGRAPHICS

		Rank
Population	n/a	n/a
Population Growth Rate	n/a	
Unemployment Rate	n/a	
Median Household Income	n/a	n/a
Cost of Living Index	n/a	n/a



1990 REVIEW

The industrial market in Paris, France is experiencing large scale construction. Approximately 12 million sq. ft. is underway in the suburbs and another 7.8 million sq. ft. in the central city. These projects are predominantly manufacturing and R&D space. A healthy French economy encourages business expansions which in turn bolsters real estate demand. Most companies are concerned with upgrading their space to the most modern available. The volume of sales exceeds that of lease transactions.

1991 FORECAST

The outlook is positive for the Paris industrial market. Demand will stay steady for R&D and manufacturing facilities and will improve five percent for distribution space. Building prices will hold at year-end 1990 levels while improved sites will experience a slight rise. Development will be concentrated in the suburbs, focusing on R&D facilities.

JUAREZ, MEXICO: INDUSTRIAL

Juarez, Mexico

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	18,000,000	-
Vacant	1,200,000	-
Vacancy Rates	6.7%	-
Under Construction	750,000	-
Net Absorption	1,250,000	-

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Moderate

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	33.00	-
5,000 to 19,999 sf	33.00	-
20,000 to 39,999 sf	32.00	-
40,000 to 59,999 sf	30.00	-
60,000 to 99,999 sf	28.00	-
More than 99,999 sf	26.00	-
High Tech/R&D	37.00	-

Construction Costs	
Less than 5,000 sf	28.00
5,000 to 19,999 sf	28.00
20,000 to 39,999 sf	27.00
40,000 to 59,999 sf	25.00
60,000 to 99,999 sf	23.00
More than 99,999 sf	21.00
High Tech/R&D	32.00-35.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	5.00	-
5,000 to 19,999 sf	4.50	-
20,000 to 39,999 sf	3.80-4.50	-
40,000 to 59,999 sf	3.80-4.50	-
60,000 to 99,999 sf	3.80-4.50	-
More than 99,999 sf	3.50-4.00	-
High Tech/R&D	5.00	-

Vacancy Indicators	
Less than 5,000 sf	Substantial Shortage
5,000 to 19,999 sf	Substantial Shortage
20,000 to 39,999 sf	Substantial Shortage
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Moderate Oversupply
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	3.50	-
2 to 5 acres	3.50	-
5 to 10 acres	2.75	-
More than 10 acres	2.50	-
Unimproved Sites		
Less than 10 acres	n/a	-
10 to 100 acres	n/a	-
More than 100 acres	n/a	-

Composition of Absorption	
Warehouse/Distribution	10%
Manufacturing	80%
High Tech/R&D	10%
Rate of Construction	
Warehouse/Distribution	Down 25%
Manufacturing	Down 25%
High Tech/R&D	Down 25%
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Down 25%
Manufacturing	Down 25%
High Tech/R&D	Down 25%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Same
Site Prices	Up 25%
Absorption	
Warehouse/Distribution	Down 25%
Manufacturing	Down 25%
High Tech/R&D	Down 25%
Construction	
Warehouse/Distribution	Down 25%
Manufacturing	Down 25%
High Tech/R&D	Down 25%
Dollar Volume - Sales	Down 10%
Dollar Volume - Leases	Down 10%

DEMOGRAPHICS

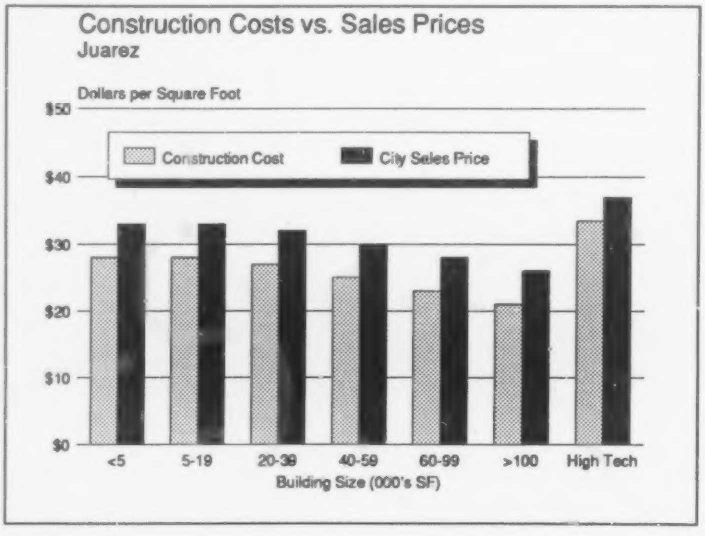
		Rank
Population	n/a	n/a
Population Growth Rate	n/a	
Unemployment Rate	n/a	
Median Household Income	n/a	n/a
Cost of Living Index	n/a	n/a

1990 REVIEW

Juarez, Mexico assumes manufacturing responsibilities in the maquiladora industry while El Paso, Texas manages the distribution and storage functions across the border. In 1990, the addition of 20 new maquiladoras brought the city's total to 320. Low labor costs, estimated at one dollar per hour, make this city an attractive manufacturing center. Facilities consist mostly of build-to-suit structures in industrial parks. As the maquiladora industry matures, the older established companies are moving to more modern space and leaving vacant a second tier of space. These secondary facilities are considered desirable for start-ups and have forced prices down.

1991 FORECAST

The manufacturing sector of this city is expected to thrive, particularly if the free trade agreement between the U.S. and Mexico is ratified. A recession in the U.S. may inspire companies to relocate across the border to reduce labor costs. In general, demand, which matched the available supply in 1990, will decrease in 1991. Construction will continue to slow, perhaps easing the vacancy conditions among larger facilities.



MEXICO CITY, MEXICO: INDUSTRIAL

Mexico City, Mexico

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	120,000,000	801,000,000
Vacant	-	1,000,000
Vacancy Rates	-	0.1%
Under Construction	-	1,000,000
Net Absorption	-	1,000,000

Prime Source of Financing: Owner Financing

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	n/a	40.00
5,000 to 19,999 sf	n/a	35.00
20,000 to 39,999 sf	n/a	35.00
40,000 to 59,999 sf	n/a	35.00
60,000 to 99,999 sf	n/a	32.00
More than 99,999 sf	n/a	32.00
High Tech/R&D	n/a	35.00

Construction Costs	
Less than 5,000 sf	42.00
5,000 to 19,999 sf	42.00
20,000 to 39,999 sf	42.00
40,000 to 59,999 sf	36.00
60,000 to 99,999 sf	36.00
More than 99,999 sf	36.00
High Tech/R&D	42.00

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	n/a	4.50
5,000 to 19,999 sf	n/a	4.00
20,000 to 39,999 sf	n/a	4.00
40,000 to 59,999 sf	n/a	4.00
60,000 to 99,999 sf	n/a	3.50
More than 99,999 sf	n/a	3.50
High Tech/R&D	n/a	4.50

Vacancy Indicators	
Less than 5,000 sf	Moderate Shortage
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Balanced Market
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	n/a	6.00
2 to 5 acres	n/a	5.00
5 to 10 acres	n/a	n/a
More than 10 acres	n/a	n/a
Unimproved Sites		
Less than 10 acres	n/a	10.00
10 to 100 acres	n/a	n/a
More than 100 acres	n/a	n/a

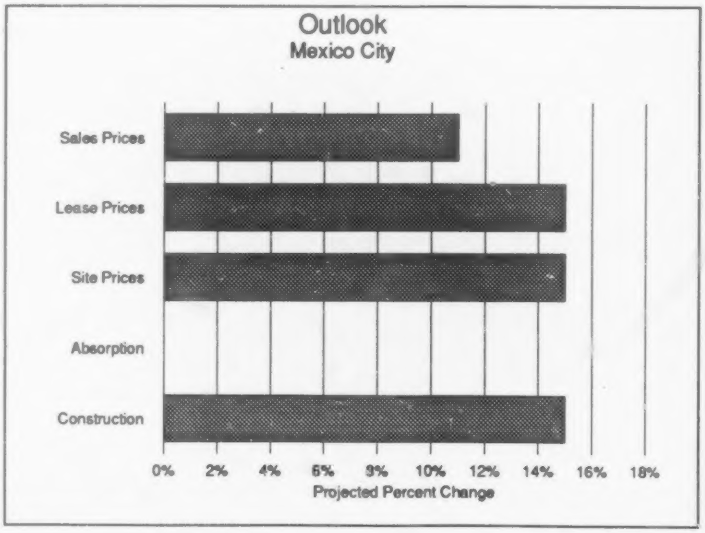
Composition of Absorption	
Warehouse/Distribution	21%
Manufacturing	54%
High Tech/R&D	25%
Rate of Construction	
Warehouse/Distribution	Up 10%
Manufacturing	Down 10%
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Up 15%
Manufacturing	Down 10%
High Tech/R&D	Same

OUTLOOK

Sales Prices	
Warehouse/Distribution	Up 10%
Manufacturing	Up 10%
High Tech/R&D	Up 15%
Lease Prices	
Warehouse/Distribution	Up 15%
Manufacturing	Up 15%
High Tech/R&D	Up 15%
Site Prices	Up 15%
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Up 15%
Manufacturing	Up 15%
High Tech/R&D	Up 15%
Dollar Volume - Sales	Up 12%
Dollar Volume - Leases	Up 15%

DEMOGRAPHICS

		Rank
Population	n/a	n/a
Population Growth Rate	n/a	
Unemployment Rate	n/a	
Median Household Income	n/a	n/a
Cost of Living Index	n/a	n/a



1990 REVIEW

A shortage of available facilities in Mexico City is prompting companies to meet their needs outside of the area. Several companies have relocated to Queretaro or Toluca. Pollution concerns have also forced industries out of the market, replacing them with less environmentally damaging users. Foreign companies have actively sought space in the market. With an estimated one million sq. ft. of absorption and one million sq. ft. under construction, development will replenish supply on a sq. ft. per sq. ft. basis.

1991 FORECAST

Owners are willing to finance projects on a limited basis at the U.S. equivalent of an 18 percent interest rate. Construction activity will pick up and is likely to outpace absorption, creating new opportunities for space users. Prices, which remained flat in 1990, are expected to rise 10 to 15 percent in 1991.

Oslo, NORWAY: INDUSTRIAL

Oslo, Norway

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	n/a	n/a
Vacant	n/a	n/a
Vacancy Rates	n/a	n/a
Under Construction	n/a	n/a
Net Absorption	n/a	n/a

Prime Source of Financing: Commercial Banks, Pension Funds

Mortgage Money Supply: Moderate

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	150.00	95.00
5,000 to 19,999 sf	150.00	95.00
20,000 to 39,999 sf	130.00	85.00
40,000 to 59,999 sf	130.00	85.00
60,000 to 99,999 sf	130.00	85.00
More than 99,999 sf	130.00	85.00
High Tech/R&D	170.00	105.00

Construction Costs	
Less than 5,000 sf	90.00
5,000 to 19,999 sf	90.00
20,000 to 39,999 sf	90.00
40,000 to 59,999 sf	90.00
60,000 to 99,999 sf	80.00
More than 99,999 sf	80.00
High Tech/R&D	100.00

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	15.00	10.00
5,000 to 19,999 sf	15.00	10.00
20,000 to 39,999 sf	13.00	9.00
40,000 to 59,999 sf	13.00	9.00
60,000 to 99,999 sf	13.00	9.00
More than 99,999 sf	13.00	9.00
High Tech/R&D	17.00	11.00

Vacancy Indicators	
Less than 5,000 sf	Substantial Oversupply
5,000 to 19,999 sf	
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Moderate Oversupply
High Tech/R&D	Moderate Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	37.00	20.00
2 to 5 acres	37.00	20.00
5 to 10 acres	37.00	20.00
More than 10 acres	37.00	20.00
Unimproved Sites		
Less than 10 acres	n/a	n/a
10 to 100 acres	n/a	n/a
More than 100 acres	n/a	n/a

Composition of Absorption	
Warehouse/Distribution	n/a
Manufacturing	n/a
High Tech/R&D	n/a
Rate of Construction	
Warehouse/Distribution	Down 40%
Manufacturing	Down 40%
High Tech/R&D	Down 40%
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Dollar Volume - Sales	Down 5%
Dollar Volume - Leases	Down 10%

DEMOGRAPHICS

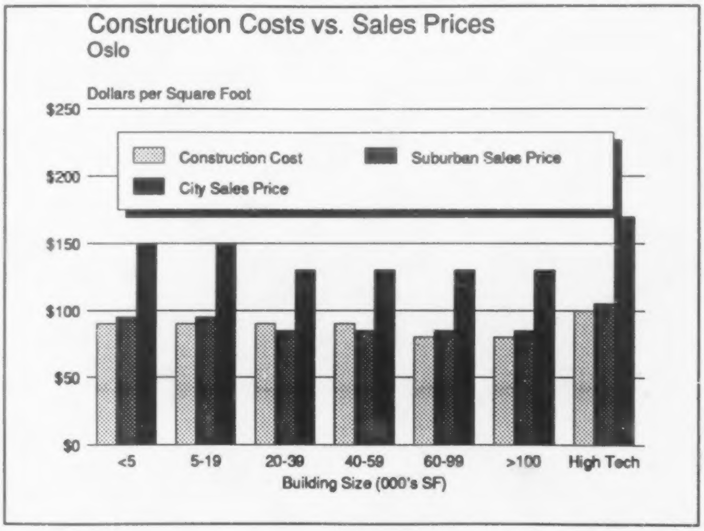
		Rank
Population	n/a	n/a
Population Growth Rate	n/a	
Unemployment Rate	n/a	
Median Household Income	n/a	n/a
Cost of Living Index	n/a	n/a

1990 REVIEW

Oslo's industrial market continues to suffer declining demand level and an oversupply of available inventory. In response, construction activity was off 40 percent from 1989. Foreign investors from Sweden consolidated and pulled out of the Oslo market due to financial instability at home. While sales and lease prices were up significantly in the suburban market and moderately in the central city, the overall volume of transactions was flat.

1991 FORECAST

Norway's economy enjoys a stable five percent inflation rate and can expect a drop in the unemployment rate in 1991. Financing for development is moderately available under current economic conditions. Construction, however, will slow as most projects ready for development are stalled pending an increase in user demand. Lease and sales volumes will also decline but prices will remain at year-end 1990 levels.



UNITED STATES MARKETS

AKRON, OHIO: INDUSTRIAL

Greater Akron Area

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	25,000,000	22,500,000
Vacant	2,231,510	1,999,017
Vacancy Rates	8.9%	8.9%
Under Construction	75,000	475,000
Net Absorption	238,094	1,157,558

Prime Source of Financing: Commercial Banks, Owner Financing

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	25.00-35.00	25.00-30.00
5,000 to 19,999 sf	15.00-30.00	12.00-30.00
20,000 to 39,999 sf	18.00-22.00	18.00-30.00
40,000 to 59,999 sf	n/a	n/a
60,000 to 99,999 sf	n/a	10.00-14.00
More than 99,999 sf	n/a	10.00-13.00
High Tech/R&D	n/a	n/a

Construction Costs	
Less than 5,000 sf	35.00-45.00
5,000 to 19,999 sf	32.00-45.00
20,000 to 39,999 sf	28.00-32.00
40,000 to 59,999 sf	25.00-28.00
60,000 to 99,999 sf	20.00-25.00
More than 99,999 sf	18.00-20.00
High Tech/R&D	45.00-75.00

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	3.50-4.50	4.00-5.50
5,000 to 19,999 sf	3.00-3.75	3.50-4.50
20,000 to 39,999 sf	2.75-3.50	2.50-4.00
40,000 to 59,999 sf	2.25-3.00	2.25-3.50
60,000 to 99,999 sf	n/a	2.00-3.00
More than 99,999 sf	n/a	2.00-3.00
High Tech/R&D	n/a	4.50-8.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Shortage
5,000 to 19,999 sf	Substantial Shortage
20,000 to 39,999 sf	Substantial Shortage
40,000 to 59,999 sf	Substantial Shortage
60,000 to 99,999 sf	Substantial Shortage
More than 99,999 sf	Balanced Market
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	0.60-1.20	0.75-1.20
2 to 5 acres	n/a	0.40-1.00
5 to 10 acres	0.40-0.60	0.35-0.90
More than 10 acres	0.35-0.50	0.30-0.50
Unimproved Sites		
Less than 10 acres	n/a	0.20-0.80
10 to 100 acres	n/a	0.15-0.25
More than 100 acres	n/a	0.15-0.20

Composition of Absorption	
Warehouse/Distribution	58%
Manufacturing	40%
High Tech/R&D	2%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Down
Manufacturing	Down
High Tech/R&D	Down
Dollar Volume - Leases	
Warehouse/Distribution	Down
Manufacturing	Down
High Tech/R&D	Down

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Down
Manufacturing	Down
High Tech/R&D	Down
Construction	
Warehouse/Distribution	Down
Manufacturing	Down
High Tech/R&D	Down
Dollar Volume - Sales	Down
Dollar Volume - Leases	Down

DEMOGRAPHICS

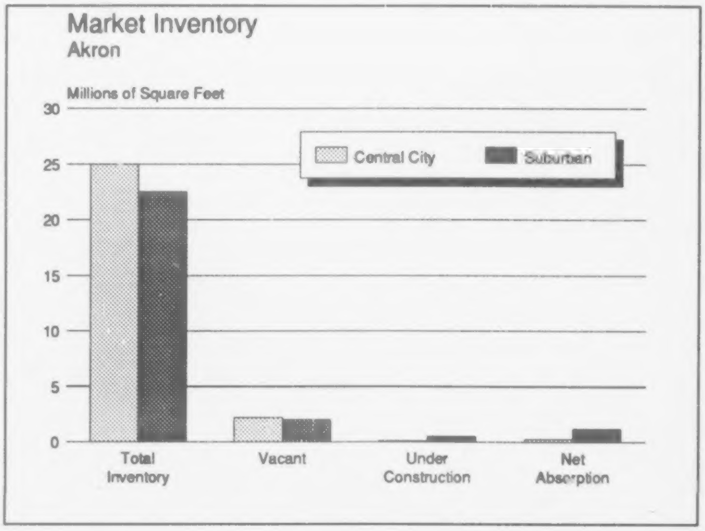
		Rank
Population	672,709	65
Population Growth Rate	0.19%	
Unemployment Rate	4.40%	
Median Household Income	$30,089	62
Cost of Living Index	96.9	55

1990 REVIEW

Steady sales and leasing of industrial space, slower new construction, and increased net absorption allowed Akron's industrial vacancy rate to decline three percentage points to nine percent. Warehouse facilities saw their share of absorption grow from 40 to 58 percent over the year. The market continued to experience shortages in all categories less than 100,000 sq. ft. Although the market tightened, sales and lease prices remained relatively constant. The local and regional economy performed well, in contrast with the weakening nationwide statistics.

1991 FORECAST

Local SIOR reporters do not anticipate a surge in Akron's economy during 1991, however, they do expect it to continue at its current level. Speculative development will be curtailed in 1991 due to the tightening of financial markets. Any new construction is expected to be build-to-suit projects. There are still concerns about the tire industry as the major manufacturers experienced a weak 1990. The growing plastics industry may offset cutbacks in tire manufacturing.



ALBANY, NEW YORK: INDUSTRIAL

Albany, Bethlehem, Clifton Park, Colonie, Coxsackie, Glens Falls, Guilderland, Rotterdam, Saratoga, Schenectady, Scotia and Troy

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	7,100,000	18,350,000
Vacant	1,368,650	1,291,400
Vacancy Rates	19.3%	7.0%
Under Construction	0	110,000
Net Absorption	n/a	n/a

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	24.00-31.00	28.00-41.00
5,000 to 19,999 sf	19.00-28.00	27.00-36.00
20,000 to 39,999 sf	18.00-27.00	19.00-33.00
40,000 to 59,999 sf	15.00-23.00	17.00-25.00
60,000 to 99,999 sf	14.00-22.00	16.00-23.00
More than 99,999 sf	n/a	10.00-23.00
High Tech/R&D	n/a	n/a

Construction Costs	
Less than 5,000 sf	30.00-38.00
5,000 to 19,999 sf	29.00-35.00
20,000 to 39,999 sf	20.00-33.00
40,000 to 59,999 sf	19.00-27.00
60,000 to 99,999 sf	17.00-25.00
More than 99,999 sf	14.00-22.00
High Tech/R&D	n/a

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	3.50-4.50	4.00-6.00
5,000 to 19,999 sf	2.50-3.75	4.00-5.75
20,000 to 39,999 sf	2.00-3.50	3.75-5.50
40,000 to 59,999 sf	2.00-3.50	3.50-5.00
60,000 to 99,999 sf	1.75-3.00	3.25-4.75
More than 99,999 sf	1.00-3.00	3.00-4.00
High Tech/R&D	n/a	n/a

Vacancy Indicators	
Less than 5,000 sf	Moderate Shortage
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Substantial Shortage
40,000 to 59,999 sf	Substantial Shortage
60,000 to 99,999 sf	Substantial Shortage
More than 99,999 sf	Substantial Shortage
High Tech/R&D	

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	1.15-3.40	1.15-2.30
2 to 5 acres	1.15-3.40	1.15-2.30
5 to 10 acres	n/a	0.70-1.75
More than 10 acres	n/a	0.70-1.75
Unimproved Sites		
Less than 10 acres	n/a	0.45-1.00
10 to 100 acres	n/a	0.45-1.00
More than 100 acres	n/a	0.20-0.40

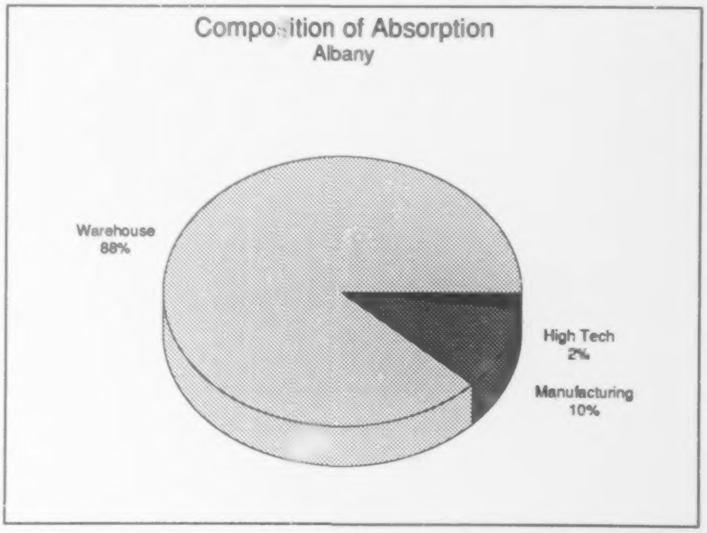
Composition of Absorption	
Warehouse/Distribution	88%
Manufacturing	10%
High Tech/R&D	2%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Down 10%
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Up 5%
Manufacturing	Same
High Tech/R&D	Same

OUTLOOK

Sales Prices	
Warehouse/Distribution	Up 5%
Manufacturing	Up 5%
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Up 5%
Absorption	
Warehouse/Distribution	Up 5%
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Up 5%
Dollar Volume - Leases	Up 5%

DEMOGRAPHICS

		Rank
Population	862,087	56
Population Growth Rate	0.31%	
Unemployment Rate	3.40%	
Median Household Income	$32,610	34
Cost of Living Index	107.1	18



1990 REVIEW

As the state's capital, Albany has been somewhat sheltered from regional economic woes and has maintained a relatively stable base. A well-utilized transportation network has made the Albany region a rapidly developing distribution center for markets in the Northeast and Cananda. Demand for existing warehouse/distribution facilities was strong in 1990 and the market's overall vacancy rate dropped to 10.5 percent. Tenants have continued to be price sensitive, with mid-priced buildings outperforming the high-end stock.

1991 FORECAST

Albany's industrial market is expected to post modest five percent gains in sales prices, site prices, and absorption. Improved land sites in established business parks in the immediate Capital district are increasingly scarce. Unimproved suburban and rural areas along major highway corridors will capture most new facilities. Lack of construction should help to lower vacancy rates even in the face of the recession among the existing stock of buildings.

ALBUQUERQUE, NEW MEXICO: INDUSTRIAL

Albuquerque, NM MSA and Rio Rancho, NM (Sandoval County)

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	8,900,000	4,000,000
Vacant	900,000	400,000
Vacancy Rates	10.1%	10.0%
Under Construction	300,000	100,000
Net Absorption	n/a	n/a

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	35.00-40.00	35.00-40.00
5,000 to 19,999 sf	30.00-35.00	30.00-35.00
20,000 to 39,999 sf	30.00	30.00
40,000 to 59,999 sf	25.00	25.00
60,000 to 99,999 sf	25.00	25.00
More than 99,999 sf	25.00	25.00
High Tech/R&D	50.00-60.00	50.00-60.00

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	6.00	4.50
5,000 to 19,999 sf	5.50	4.00
20,000 to 39,999 sf	4.50	3.75
40,000 to 59,999 sf	4.25	3.50
60,000 to 99,999 sf	4.00	3.50
More than 99,999 sf	3.50	3.50
High Tech/R&D	8.00-10.00	8.00-10.00

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	3.00-4.00	1.50-2.00
2 to 5 acres	2.50-3.00	1.00-1.75
5 to 10 acres	2.00-3.00	0.75-1.50
More than 10 acres	1.50-2.00	0.50-1.00
Unimproved Sites		
Less than 10 acres	1.80	1.50
10 to 100 acres	1.25	0.75
More than 100 acres	1.00	0.45

Prime Source of Financing: Owner Financing

Mortgage Money Supply: Moderate

Construction Costs	
Less than 5,000 sf	37.50
5,000 to 19,999 sf	32.50
20,000 to 39,999 sf	32.50
40,000 to 59,999 sf	32.50
60,000 to 99,999 sf	27.50
More than 99,999 sf	27.50
High Tech/R&D	55.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Balanced Market
High Tech/R&D	Balanced Market

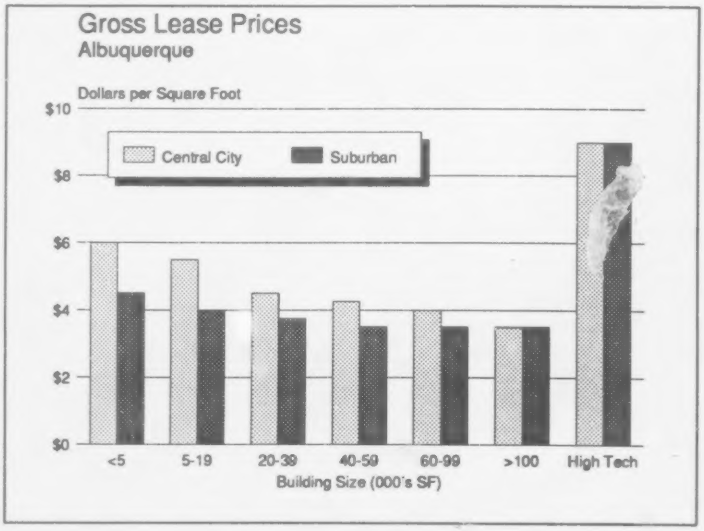
Composition of Absorption	
Warehouse/Distribution	60%
Manufacturing	30%
High Tech/R&D	10%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Down 5%
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Down 5-10%
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	493,201	83
Population Growth Rate	1.63%	
Unemployment Rate	4.70%	
Median Household Income	$27,371	83
Cost of Living Index	101.8	34



1990 REVIEW

The industrial leasing market is this city's most active real estate sector. The market currently registers a 90 percent occupancy rate predominantly leased to a consortium of government and private defense-related industries. Fallout from several distressed years persists in the form of moderate oversupply conditions. In addition, the investor market is dominated by the Resolution Trust Corporation. Once again; most market indicators are unchanged since the last edition of SIOR's *Guide*.

1991 FORECAST

Albuquerque seeks to attract industry from neighboring states, and speaks hopefully of expansion potential in existing firms. Neither source will boost this market significantly in 1991. Unemployment is escalating and the retail, service, and construction sectors have been impacted by recession. The industrial property market will again post no significant changes in 1991, as the lethargic state of the local economy persists.

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ATLANTA, GEORGIA: INDUSTRIAL

Atlanta, Georgia

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	40,900,000	202,500,000
Vacant	3,600,000	35,300,000
Vacancy Rates	8.8%	17.4%
Under Construction	80,000	8,930,000
Net Absorption	300,000	6,600,000

Prime Source of Financing: Insurance Companies, Commercial Banks

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	25.00-30.00	40.00-50.00
5,000 to 19,999 sf	20.00-25.00	30.00-40.00
20,000 to 39,999 sf	18.00-22.00	20.00-25.00
40,000 to 59,999 sf	16.00-20.00	18.00-22.00
60,000 to 99,999 sf	15.00-17.00	17.00-21.00
More than 99,999 sf	14.00-15.00	16.00-20.00
High Tech/R&D	60.00-70.00	50.00-70.00

Construction Costs	
Less than 5,000 sf	45.00-60.00
5,000 to 19,999 sf	25.00-35.00
20,000 to 39,999 sf	20.00-25.00
40,000 to 59,999 sf	17.00-20.00
60,000 to 99,999 sf	14.00-17.00
More than 99,999 sf	12.00-14.00
High Tech/R&D	30.00-35.00

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	3.00-4.00	3.50-5.00
5,000 to 19,999 sf	2.50-3.50	3.00-4.50
20,000 to 39,999 sf	2.25-3.00	2.75-4.00
40,000 to 59,999 sf	2.00-2.50	2.50-3.00
60,000 to 99,999 sf	2.00-2.25	2.25-2.75
More than 99,999 sf	1.75-2.00	2.00-2.50
High Tech/R&D	7.00-9.00	5.00-8.00

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Substantial Oversupply
40,000 to 59,999 sf	Substantial Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Moderate Shortage
High Tech/R&D	Moderate Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	2.00-3.00
2 to 5 acres	-	2.00-2.75
5 to 10 acres	-	1.50-2.50
More than 10 acres	-	1.00-2.25
Unimproved Sites		
Less than 10 acres	-	1.00-2.00
10 to 100 acres	-	0.75-1.50
More than 100 acres	-	0.50-1.25

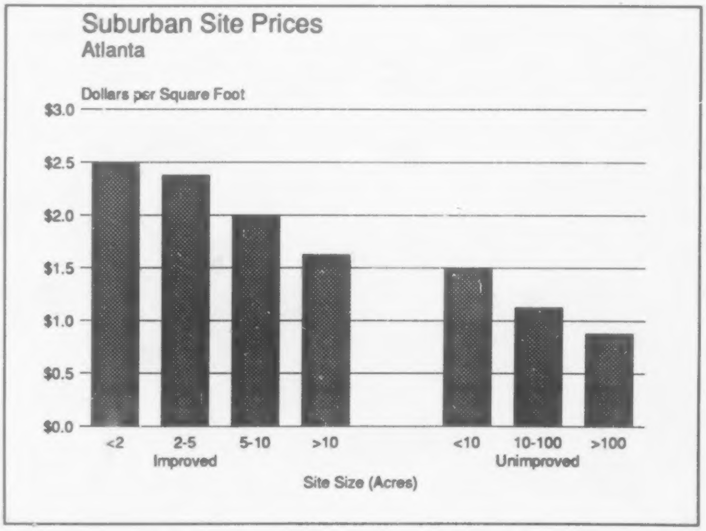
Composition of Absorption	
Warehouse/Distribution	75%
Manufacturing	20%
High Tech/R&D	5%
Rate of Construction	
Warehouse/Distribution	Down 40%
Manufacturing	Same
High Tech/R&D	Down 75%
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Down 20%
Dollar Volume - Leases	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 20%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Up 10%
Manufacturing	Up 10%
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Up 10%
Manufacturing	Up 10%
High Tech/R&D	Up 10%
Site Prices	Same
Absorption	
Warehouse/Distribution	Up 40%
Manufacturing	Up 40%
High Tech/R&D	Up 20%
Construction	
Warehouse/Distribution	Up 20%
Manufacturing	Up 20%
High Tech/R&D	Up 10%
Dollar Volume - Sales	Up 10%
Dollar Volume - Leases	Up 20%

DEMOGRAPHICS

		Rank
Population	2,793,274	9
Population Growth Rate	2.71%	
Unemployment Rate	6.40%	
Median Household Income	$37,310	14
Cost of Living Index	102.0	32



1990 REVIEW

The supply of available space increased in 1990 as indicated by a sharp rise in the vacancy rate to 15.9 percent. While steady leasing contributed to the absorption of 6.9 million sq. ft., the activity was not enough to compensate for the volume of new space which flooded the market. Build-to-suit facilities dominated this construction cycle. The Atlanta metro area is suffering from its first employment slump since 1974. Sagging retail sales throughout the Southeast have reduced demand for distribution space.

1991 FORECAST

After a year of weak lease volumes, SIOR's local researcher expects the Atlanta market to return to higher transaction levels. Lease and sales prices will rise in response to increased activity. Speculative construction will remain on hold because of current oversupply and restrictive financing. The area is attractive to outside business, particularly regional distribution concerns, and the present slowdown is best seen as a pause in growth.

AUSTIN, TEXAS: INDUSTRIAL

Austin, Texas

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	-	13,796,376
Vacant	-	2,026,392
Vacancy Rates	-	14.7%
Under Construction	-	223,000
Net Absorption	-	598,636

Prime Source of Financing: Owner Financing

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	26.00
5,000 to 19,999 sf	-	25.00
20,000 to 39,999 sf	-	24.00
40,000 to 59,999 sf	-	23.00
60,000 to 99,999 sf	-	22.00
More than 99,999 sf	-	22.00
High Tech/R&D	-	40.00

Construction Costs	
Less than 5,000 sf	28.00
5,000 to 19,999 sf	25.00
20,000 to 39,999 sf	23.00
40,000 to 59,999 sf	20.00
60,000 to 99,999 sf	19.00
More than 99,999 sf	17.00
High Tech/R&D	40.00

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	-	3.36
5,000 to 19,999 sf	-	3.00
20,000 to 39,999 sf	-	2.64
40,000 to 59,999 sf	-	2.64
60,000 to 99,999 sf	-	2.64
More than 99,999 sf	-	2.64
High Tech/R&D	-	6.60

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Balanced Market
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Moderate Shortage
60,000 to 99,999 sf	Substantial Shortage
More than 99,999 sf	Substantial Shortage
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	1.70	1.25
2 to 5 acres	1.50	1.15
5 to 10 acres	1.35	0.75
More than 10 acres	1.00	0.50
Unimproved Sites		
Less than 10 acres	1.00	0.75
10 to 100 acres	0.85	0.50
More than 100 acres	0.75	0.45

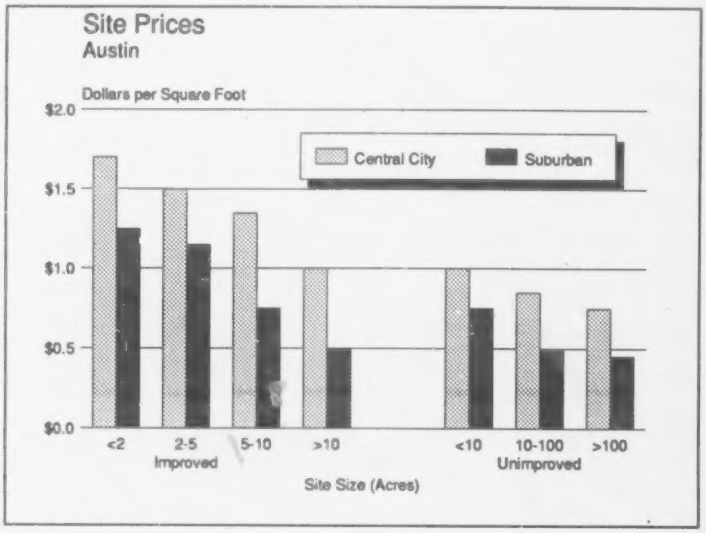
Composition of Absorption	
Warehouse/Distribution	41%
Manufacturing	30%
High Tech/R&D	29%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Up 10-20%
Manufacturing	Up 10-20%
High Tech/R&D	Up 10-20%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Up 10%
Manufacturing	Up 10%
High Tech/R&D	Up 10%
Site Prices	Down 10%
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Same
Dollar Volume - Leases	Up 10%

DEMOGRAPHICS

		Rank
Population	845,079	58
Population Growth Rate	4.64%	
Unemployment Rate	4.80%	
Median Household Income	$28,936	74
Cost of Living Index	98.2	49



1990 REVIEW

Austin's industrial market continued to improve in 1990, with 85 percent of its inventory occupied at year-end. Strong demand has left few desirable facilities, particularly large contiguous blocks of space, available. Lease prices began first to firm and then to rise, causing an increase in the dollar volume of lease transactions. Purchase prices for buildings approached bottom. A few opportunities were presented through foreclosure, though not at prices as low as the larger Texas markets.

1991 FORECAST

In 1991, Austin's industrial market revival will hinge on the health of the nation's economy and the squeeze on credit. Moderate to severe shortages among facilities larger than 20,000 sq. ft. will not be answered by speculative construction. Build-to-suit will address the needs of specific tenants. The shortages will worsen as lease volumes continue at 1990's pace. Land prices will continue to sink lower, as builders are held out of the market in the near term.

BALTIMORE, MARYLAND: INDUSTRIAL

Baltimore Metropolitan area including Columbia

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	20,400,000	65,500,000
Vacant	4,263,000	9,990,000
Vacancy Rates	20.9%	15.3%
Under Construction	520,000	4,200,000
Net Absorption	250,000	3,023,000

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	35.00-45.00	45.00-60.00
5,000 to 19,999 sf	30.00-40.00	35.00-55.00
20,000 to 39,999 sf	25.00-35.00	30.00-45.00
40,000 to 59,999 sf	24.00-34.00	30.00-40.00
60,000 to 99,999 sf	22.00-32.00	28.00-40.00
More than 99,999 sf	22.00-32.00	25.00-35.00
High Tech/R&D	n/a	50.00-70.00

Construction Costs	
Less than 5,000 sf	50.00
5,000 to 19,999 sf	45.00
20,000 to 39,999 sf	40.00
40,000 to 59,999 sf	25.00-38.00
60,000 to 99,999 sf	25.00-30.00
More than 99,999 sf	22.00-25.00
High Tech/R&D	60.00

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	3.75-4.75	4.50-7.50
5,000 to 19,999 sf	3.50-4.50	4.00-5.50
20,000 to 39,999 sf	3.25-4.25	3.50-4.50
40,000 to 59,999 sf	3.00-4.00	3.25-4.25
60,000 to 99,999 sf	3.00-4.00	3.00-4.00
More than 99,999 sf	2.75-3.75	2.75-3.75
High Tech/R&D	4.50-6.00	6.00-8.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Substantial Oversupply
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Balanced Market
High Tech/R&D	Substantial Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	2.00-3.00	2.50-6.50
2 to 5 acres	2.00-3.00	2.50-6.50
5 to 10 acres	2.00-3.00	2.00-6.00
More than 10 acres	2.00-4.00	1.00-6.00
Unimproved Sites		
Less than 10 acres	1.50-2.50	1.00-2.50
10 to 100 acres	1.00-2.00	1.00-2.50
More than 100 acres	n/a	0.50-1.50

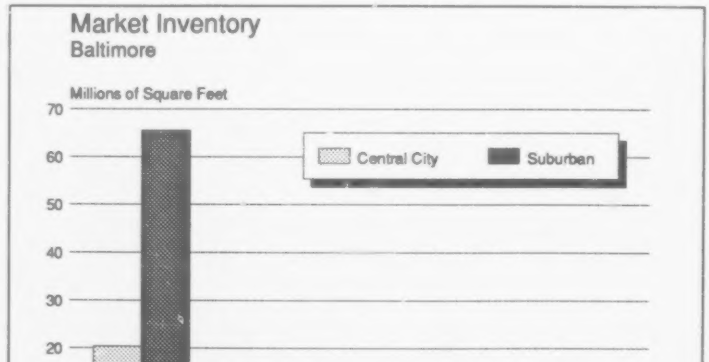
Composition of Absorption	
Warehouse/Distribution	50%
Manufacturing	25%
High Tech/R&D	25%
Rate of Construction	
Warehouse/Distribution	Down 35-40%
Manufacturing	Down 35-40%
High Tech/R&D	Down 35-40%
Dollar Volume - Sales	
Warehouse/Distribution	Down 20%
Manufacturing	Down 20%
High Tech/R&D	Down 20%
Dollar Volume - Leases	
Warehouse/Distribution	Down 20%
Manufacturing	Down 20%
High Tech/R&D	Down 20%

Outlook

Sales Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Same
High Tech/R&D	Down 20%
Lease Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 20%
Site Prices	Down 25%
Absorption	
Warehouse/Distribution	Down 25%
Manufacturing	Down 25%
High Tech/R&D	Down 25%
Construction	
Warehouse/Distribution	Down 50%
Manufacturing	Down 50%
High Tech/R&D	Down 50%
Dollar Volume - Sales	Down 35%
Dollar Volume - Leases	Down 20%

DEMOGRAPHICS

		Rank
Population	2,368,733	16
Population Growth Rate	0.74%	
Unemployment Rate	4.90%	
Median Household Income	$38,139	11
Cost of Living Index	*110.3*	*13*



1990 REVIEW

Demand for industrial space in Baltimore dropped off dramatically in 1990 causing new construction to decline significantly to 4,720,000 from 7,700,000 in 1989. The market is generally oversupplied with the exception of larger facilities of 60,000 sq. ft. or more. Overall vacancy climbed to 17 percent as a result of the substantial new supply constructed during 1989 coupled with a slight decline in net absorption. Sales and lease prices declined in all classes of industrial space.

1991 FORECAST

Very little new speculative development is anticipated for 1991. SIOR reporters expect demand to decline significantly with the only new demand coming from build-to-suit developments. Contributing to the declining demand are cut backs in defense related contracts which typically give substantial support to manufacturing in Baltimore. Also adding to drops in demand are government agencies which have experienced significant cutbacks in their R&D budgets. Financing, although very tight for real estate developers, is available to users for well-planned expansions.

Birmingham, Alabama: Industrial

Birmingham, Alabama

Market Data

Inventory (sf)	Central City	Suburban
Total	15,550,000	62,000,000
Vacant	1,280,000	2,996,000
Vacancy Rates	8.2%	4.8%
Under Construction	44,000	1,114,000
Net Absorption	400,000	423,000

Prime Source of Financing: Owner Financing, Existing

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	27.00	35.00
5,000 to 19,999 sf	21.00	26.00
20,000 to 39,999 sf	19.00	25.00
40,000 to 59,999 sf	17.00	21.00
60,000 to 99,999 sf	15.00	17.00
More than 99,999 sf	15.00	16.00
High Tech/R&D	45.00	50.00

Construction Costs	
Less than 5,000 sf	32.00
5,000 to 19,999 sf	28.00
20,000 to 39,999 sf	21.00
40,000 to 59,999 sf	18.00
60,000 to 99,999 sf	17.00
More than 99,999 sf	15.00
High Tech/R&D	40.00

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	4.20	6.00
5,000 to 19,999 sf	3.25	4.50
20,000 to 39,999 sf	3.00	3.25
40,000 to 59,999 sf	2.50	3.00
60,000 to 99,999 sf	2.25	2.90
More than 99,999 sf	2.00	2.90
High Tech/R&D	8.50	9.00

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Balanced Market
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Moderate Oversupply
High Tech/R&D	Moderate Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	5.00	2.00
2 to 5 acres	4.00	1.75
5 to 10 acres	3.50	1.25
More than 10 acres	1.75	1.15
Unimproved Sites		
Less than 10 acres	2.00	1.00
10 to 100 acres	n/a	0.50
More than 100 acres	n/a	0.30

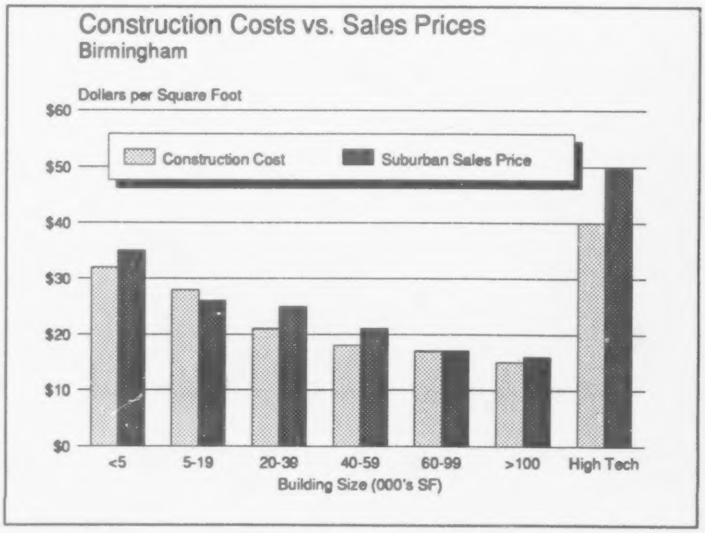
Composition of Absorption	
Warehouse/Distribution	70%
Manufacturing	20%
High Tech/R&D	10%
Rate of Construction	
Warehouse/Distribution	Down 10%
Manufacturing	Same
High Tech/R&D	Down 10%
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Down 12%
Manufacturing	Same
High Tech/R&D	Same

Outlook

Sales Prices	
Warehouse/Distribution	Down 12%
Manufacturing	Same
High Tech/R&D	Down 10%
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Down 5%
Absorption	
Warehouse/Distribution	Down 15%
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Down 20%
Manufacturing	Down 10%
High Tech/R&D	Down
Dollar Volume - Sales	Down 10%
Dollar Volume - Leases	Down 10%

Demographics

		Rank
Population	937,846	54
Population Growth Rate	0.59%	
Unemployment Rate	6.40%	
Median Household Income	$25,569	94
Cost of Living Index	98.7	47



1990 Review

Birmingham followed the national economic slowdown in 1990. Fortunately, this market was insulated from severe repercussions because it avoided overbuilding in the booming 1980s. Vacancy rates have been kept low but demand fell and was very thin for facilities in excess of 100,000 sq. ft. Consolidations have caused availabilities to swell for mid-sized to large blocks of space.

1991 Forecast

With the exception of users looking for small units in the Oxmoor area, demand will be moderate to slow. Businesses in need of cash are reducing their real estate commitments. Prices for all property types will stay flat and the volume of transactions will fall below 1990 levels.

BOSTON, MASSACHUSETTS: INDUSTRIAL

Boston, Massachusetts

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	15,850,000	81,190,000
Vacant	4,730,000	22,749,000
Vacancy Rates	29.8%	28.0%
Under Construction	0	0
Net Absorption	-1,000,000	-3,000,000

Prime Source of Financing: None

Mortgage Money Supply: Not Available

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	-
5,000 to 19,999 sf	-	50.00
20,000 to 39,999 sf	-	40.00
40,000 to 59,999 sf	-	35.00
60,000 to 99,999 sf	-	35.00
More than 99,999 sf	-	35.00
High Tech/R&D	50.00-60.00	40.00-50.00

Construction Costs	
Less than 5,000 sf	36.00
5,000 to 19,999 sf	32.00
20,000 to 39,999 sf	28.00
40,000 to 59,999 sf	24.00
60,000 to 99,999 sf	20.00
More than 99,999 sf	17.60
High Tech/R&D	48.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	5.00-6.00	4.50
5,000 to 19,999 sf	5.50	4.00
20,000 to 39,999 sf	5.00	2.75-4.00
40,000 to 59,999 sf	5.00	2.75-4.00
60,000 to 99,999 sf	4.00-5.00	2.75-4.00
More than 99,999 sf	4.00-5.00	2.75-4.00
High Tech/R&D	6.00-7.50	4.50-7.50

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Substantial Oversupply
20,000 to 39,999 sf	Substantial Oversupply
40,000 to 59,999 sf	Substantial Oversupply
60,000 to 99,999 sf	Substantial Oversupply
More than 99,999 sf	Substantial Oversupply
High Tech/R&D	Substantial Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	-
2 to 5 acres	-	8.00
5 to 10 acres	-	4.00
More than 10 acres	-	3.00
Unimproved Sites		
Less than 10 acres	-	-
10 to 100 acres	-	1.60
More than 100 acres	-	1.25

Composition of Absorption	
Warehouse/Distribution	70%
Manufacturing	20%
High Tech/R&D	10%
Rate of Construction	
Warehouse/Distribution	Down 100%
Manufacturing	Down 100%
High Tech/R&D	Down 100%
Dollar Volume - Sales	
Warehouse/Distribution	Down 70%
Manufacturing	Down 80%
High Tech/R&D	Down 100%
Dollar Volume - Leases	
Warehouse/Distribution	Down 60%
Manufacturing	Down 70%
High Tech/R&D	Down 80%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down 15%
Manufacturing	Down 15%
High Tech/R&D	Down 20%
Lease Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Site Prices	Down 10%
Absorption	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Down 5%
Construction	
Warehouse/Distribution	Down 100%
Manufacturing	Down 100%
High Tech/R&D	Down 100%
Dollar Volume - Sales	Down 80%
Dollar Volume - Leases	Down 20%

DEMOGRAPHICS

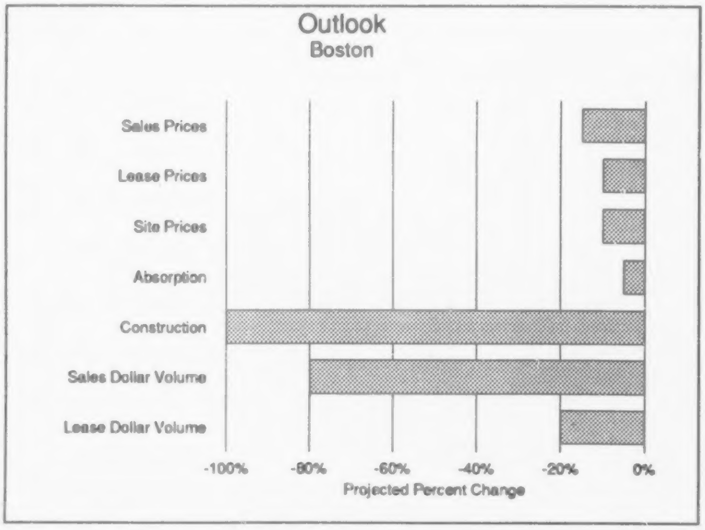
		Rank
Population	2,711,988	10
Population Growth Rate	-0.34%	
Unemployment Rate	5.50%	
Median Household Income	$43,373	8
Cost of Living Index	n/a	n/a

1990 REVIEW

Conditions worsened in the Boston industrial market as the New England economy fell deeper into recession. A building boom has a gross oversupply of facilities, particularly warehouses built for the high-tech companies. Insurance companies, banks, pension funds, and owners have completely cut off financing. Retrenchment among computer related and defense companies, reacting to a slowdown in business, cut demand and sent vacancy rates soaring to almost 30 percent. Net absorption was a negative four million square feet. Tenants shopping for bargains generated the only activity in the market, particularly in the suburbs where prices fell.

1991 FORECAST

The immediate outlook for the Boston industrial market is grim. The SIOR reporter predicts that all aspects of the market will worsen. Activity is expected to slow for the second year in a row, resulting in another year of negative net absorption. The lack of construction is a positive sign, but the market is still facing several years of supply. The volume of sales may decline by as much as 80 percent, as investor interest fades.



BRIDGEPORT/STRATFORD, CONNECTICUT: INDUSTRIAL

Monroe, Fairfield, and Trumbull, Connecticut

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	20,000,000	5,000,000
Vacant	2,547,919	670,905
Vacancy Rates	12.7%	13.4%
Under Construction	0	50,000
Net Absorption	250,000	38,000

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	55.00	75.00
5,000 to 19,999 sf	50.00	100.00
20,000 to 39,999 sf	45.00	60.00
40,000 to 59,999 sf	30.00	50.00
60,000 to 99,999 sf	17.00	50.00
More than 99,999 sf	n/a	n/a
High Tech/R&D	n/a	n/a

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	5.25	6.00
5,000 to 19,999 sf	5.25	5.75
20,000 to 39,999 sf	4.75	5.00
40,000 to 59,999 sf	4.00	5.00
60,000 to 99,999 sf	3.75	4.50
More than 99,999 sf	n/a	5.00
High Tech/R&D	7.50	7.50

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	6.00	3.25
2 to 5 acres	6.00	3.25
5 to 10 acres	n/a	2.85
More than 10 acres	n/a	2.75
Unimproved Sites		
Less than 10 acres	n/a	n/a
10 to 100 acres	n/a	n/a
More than 100 acres	n/a	n/a

Prime Source of Financing: Owner Financing

Mortgage Money Supply: Tight

Construction Costs	
Less than 5,000 sf	51.00
5,000 to 19,999 sf	45.00
20,000 to 39,999 sf	45.00
40,000 to 59,999 sf	35.00
60,000 to 99,999 sf	35.00
More than 99,999 sf	n/a
High Tech/R&D	100.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Substantial Oversupply
20,000 to 39,999 sf	Substantial Oversupply
40,000 to 59,999 sf	Substantial Oversupply
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Balanced Market
High Tech/R&D	Moderate Shortage

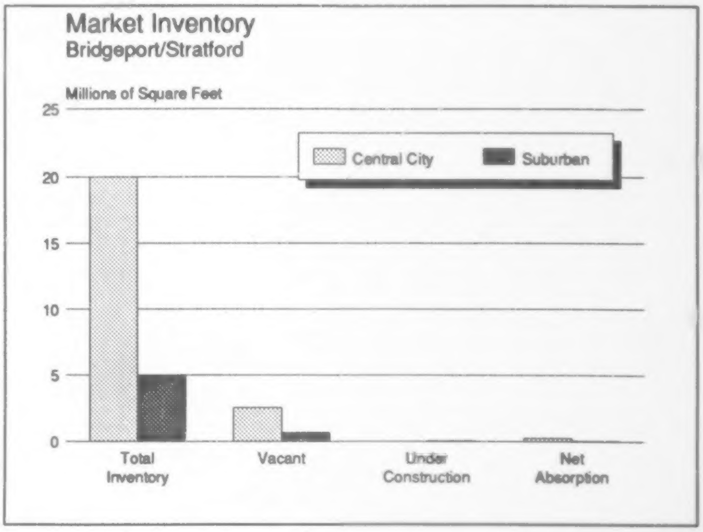
Composition of Absorption	
Warehouse/Distribution	60%
Manufacturing	15%
High Tech/R&D	25%
Rate of Construction	
Warehouse/Distribution	Down 10%
Manufacturing	Down 50%
High Tech/R&D	Down 50%
Dollar Volume - Sales	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Dollar Volume - Leases	
Warehouse/Distribution	Down 10%
Manufacturing	Down 25%
High Tech/R&D	Down 20%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Down 10%
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Up 10%
Manufacturing	Down 10%
High Tech/R&D	Down 5%
Site Prices	n/a
Absorption	
Warehouse/Distribution	Up 10%
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Down 10%
Manufacturing	Down 25%
High Tech/R&D	Down 20%
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	441,428	88
Population Growth Rate	0.07%	
Unemployment Rate	6.30%	
Median Household Income	$42,840	9
Cost of Living Index	n/a	n/a



1990 REVIEW

Demand for industrial space in Bridgeport has diminished due to a sluggish economy and defense contract cutbacks. New construction was at a standstill in 1990, with only 50,000 sq. ft. of suburban space and no new center city space added. Transaction volume had been expected to increase for 1990, but actually declined by 10 percent. Vacancy rates declined slightly, but smaller facilities of less than 40,000 sq. ft. remained oversupplied. Excess supply caused sales prices and lease rates to soften further.

1991 FORECAST

Virtually no speculative new construction is currently planned for 1991. SIOR reporters note that developers will build only when their existing properties are 75 percent leased or if a project is a build-to-suit. Manufacturing employment declines, which began in 1982, are expected to continue due to dependence on defense contracts. Defense cutbacks will limit growth potential through most of 1991.

Buffalo, New York: Industrial

Amherst, Buffalo, Cheektowaga, Orchard Park, Tonawanda, and West Seneca

Market Data

Inventory (sf)	Central City	Suburban
Total	28,000,000	68,000,000
Vacant	3,000,000	5,000,000
Vacancy Rates	10.7%	7.4%
Under Construction	150,000	300,000
Net Absorption	230,000	350,000

Prime Source of Financing: Insurance Companies, Commercial Banks, Owner Financing, Bonds

Mortgage Money Supply: Moderate

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	25.00-30.00	35.00-50.00
5,000 to 19,999 sf	18.00-25.00	28.00-32.00
20,000 to 39,999 sf	15.00-18.00	25.00-30.00
40,000 to 59,999 sf	12.00-15.00	25.00-30.00
60,000 to 99,999 sf	10.00-12.00	18.00-20.00
More than 99,999 sf	6.00-9.00	10.00-15.00
High Tech/R&D	45.00-50.00	50.00-60.00

Construction Costs	
Less than 5,000 sf	50.00
5,000 to 19,999 sf	40.00
20,000 to 39,999 sf	35.00
40,000 to 59,999 sf	35.00
60,000 to 99,999 sf	25.00-30.00
More than 99,999 sf	28.00-30.00
High Tech/R&D	60.00-80.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	2.75-3.25	4.50-5.00
5,000 to 19,999 sf	2.25-3.00	4.00-4.60
20,000 to 39,999 sf	2.25-2.75	3.75-4.25
40,000 to 59,999 sf	2.00-2.50	3.50-4.25
60,000 to 99,999 sf	1.50-2.00	3.50-4.25
More than 99,999 sf	1.25-1.75	3.00-3.50
High Tech/R&D	12.00-14.00	14.00-16.00

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Balanced Market
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Moderate Oversupply
High Tech/R&D	Moderate Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	0.60-0.70	0.75-1.00
2 to 5 acres	0.60-0.70	0.70-1.00
5 to 10 acres	0.50-0.60	0.60-0.65
More than 10 acres	0.40-0.50	0.50-0.60
Unimproved Sites		
Less than 10 acres	n/a	0.15-0.25
10 to 100 acres	n/a	0.12-0.15
More than 100 acres	n/a	0.10-0.12

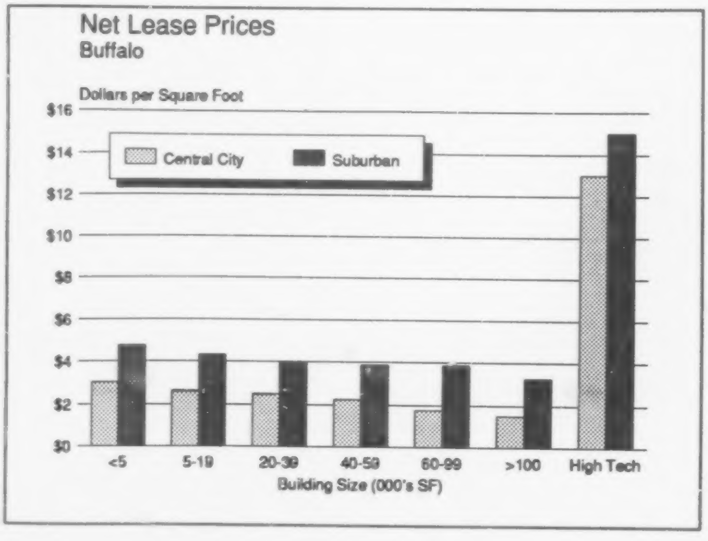
Composition of Absorption	
Warehouse/Distribution	n/a
Manufacturing	n/a
High Tech/R&D	n/a
Rate of Construction	
Warehouse/Distribution	Down 20%
Manufacturing	Down 20%
High Tech/R&D	Down 20%
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same

Outlook

Sales Prices	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Down 5%
Lease Prices	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Down 5%
Site Prices	Same
Absorption	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Down 5%
Construction	
Warehouse/Distribution	Down 10-15%
Manufacturing	Down 10-15%
High Tech/R&D	Down 10-15%
Dollar Volume - Sales	Down 5%
Dollar Volume - Leases	Down 5%

Demographics

		Rank
Population	1,003,190	47
Population Growth Rate	-0.12%	
Unemployment Rate	4.40%	
Median Household Income	$29,101	72
Cost of Living Index	109.6	14



1990 Review

Buffalo continued to re-establish itself as a favorable location for industrial facilities. As the second largest point of entry for US-Canadian trade, the area benefitted from an increase in business activity from Canada and several Canadian firms have established a foothold in Buffalo. Demand continued to be moderate with significant interest in new, well-planned buildings. Despite an estimated 20 percent drop in construction, the vacancy rate rose to 8.3 percent.

1991 Forecast

Buffalo's industrial base is closely linked to the success of General Motors Corp., Ford Motor Stamping, and Bethlehem Steel, the city's top three manufacturers. Propects are not as bright in 1991 as the nation is expected to curtail its demand for cars and other goods produced by the manufacturing sector of the city.

CHARLESTON, SOUTH CAROLINA: INDUSTRIAL

Charleston, South Carolina

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	250,000	3,000,000
Vacant	15,000	200,000
Vacancy Rates	6.0%	6.7%
Under Construction	0	100,000
Net Absorption	15,000	200,000

Prime Source of Financing: Insurance Companies, Commercial Banks, Owner Financing

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	24.00-30.00	20.00-24.00
5,000 to 19,999 sf	22.00-26.00	20.00-24.00
20,000 to 39,999 sf	n/a	16.00-24.00
40,000 to 59,999 sf	n/a	n/a
60,000 to 99,999 sf	n/a	n/a
More than 99,999 sf	n/a	n/a
High Tech/R&D	n/a	n/a

Construction Costs	*Warehouse Only
Less than 5,000 sf	22.00-24.00
5,000 to 19,999 sf	22.00
20,000 to 39,999 sf	20.00
40,000 to 59,999 sf	18.00
60,000 to 99,999 sf	16.00-18.00
More than 99,999 sf	16.00-18.00
High Tech/R&D	25.00-40.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	3.00-3.50	2.50-3.50
5,000 to 19,999 sf	3.00-3.50	2.50-3.50
20,000 to 39,999 sf	n/a	2.25-3.00
40,000 to 59,999 sf	n/a	2.00-2.50
60,000 to 99,999 sf	n/a	2.00-2.50
More than 99,999 sf	n/a	1.50-2.25
High Tech/R&D	n/a	n/a

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Balanced Market
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Balanced Market
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	3.00	1.25
2 to 5 acres	n/a	1.00-1.25
5 to 10 acres	n/a	0.75-1.00
More than 10 acres	n/a	0.50-0.75
Unimproved Sites		
Less than 10 acres	n/a	0.75
10 to 100 acres	n/a	0.50
More than 100 acres	n/a	0.30

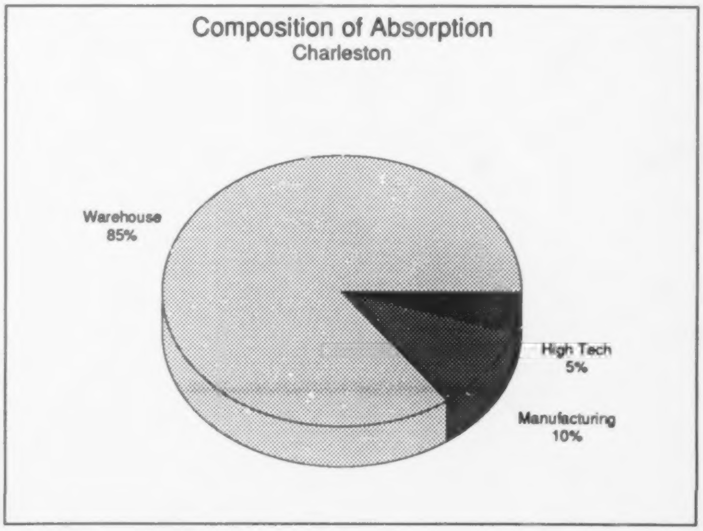
Composition of Absorption	
Warehouse/Distribution	85%
Manufacturing	10%
High Tech/R&D	5%
Rate of Construction	
Warehouse/Distribution	Up 5%
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Down 5%
Manufacturing	Same
High Tech/R&D	Same

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down 5-10%
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Down 5-10%
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Down 5-10%
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Down 5-10%
Dollar Volume - Leases	Down 5-10%

DEMOGRAPHICS

		Rank
Population	514,320	82
Population Growth Rate	1.80%	
Unemployment Rate	3.80%	
Median Household Income	$27,628	81
Cost of Living Index	101.3	38



1990 REVIEW

The city of Charleston is well on its way to recovery in the wake of Hurricane Hugo which devastated the city in 1989. The city's finances are strong and received a vote of confidence when Moody's raised its bond rating to triple-A, allowing the city access to an extremely limited pool of money to finance further improvements. The city's small industrial sector, dominated by manufacturing, has seen vacancy rates rise to over six percent. User relocations from out-of-state have generated positive absorption. Also, businesses dependent on port activity are faring well. New construction activity is minimal and the supply of most property types is in balance with demand.

1991 FORECAST

Charleston's industrial market is expected to see a slight softening in 1991. Prices for warehouse facilities should drop and the dollar volume of all transactions should also fall. Leasing activity will probably continue to be moderate, allowing for gradual absorption of existing properties. Modest speculative development will occur with several small facilities of 5,000 to 10,000 sq. ft. already underway.

Charlotte, North Carolina: Industrial

Charlotte, North Carolina

Market Data

Inventory (sf)	Central City	Suburban
Total	16,500,000	84,000,000
Vacant	1,500,000	3,500,000
Vacancy Rates	9.1%	4.2%
Under Construction	900,000	3,100,000
Net Absorption	900,000	3,300,000

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	37.00	37.00
5,000 to 19,999 sf	25.00	35.00
20,000 to 39,999 sf	22.50	22.50
40,000 to 59,999 sf	20.00	22.50
60,000 to 99,999 sf	19.00	20.00
More than 99,999 sf	17.00	17.50
High Tech/R&D	45.00	47.50

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	4.00	4.00
5,000 to 19,999 sf	3.50	3.75
20,000 to 39,999 sf	3.25	3.50
40,000 to 59,999 sf	3.00	3.25
60,000 to 99,999 sf	3.00	3.00
More than 99,999 sf	2.75	3.00
High Tech/R&D	8.00	9.50

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	2.00	2.00
2 to 5 acres	1.75	1.75
5 to 10 acres	1.50	1.60
More than 10 acres	1.35	1.40
Unimproved Sites		
Less than 10 acres	0.75	0.50
10 to 100 acres	0.50	0.40
More than 100 acres	0.40	0.30

Outlook

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

Demographics

		Rank
Population	1,126,778	42
Population Growth Rate	1.49%	
Unemployment Rate	3.00%	
Median Household Income	$32,084	37
Cost of Living Index	99.8	44

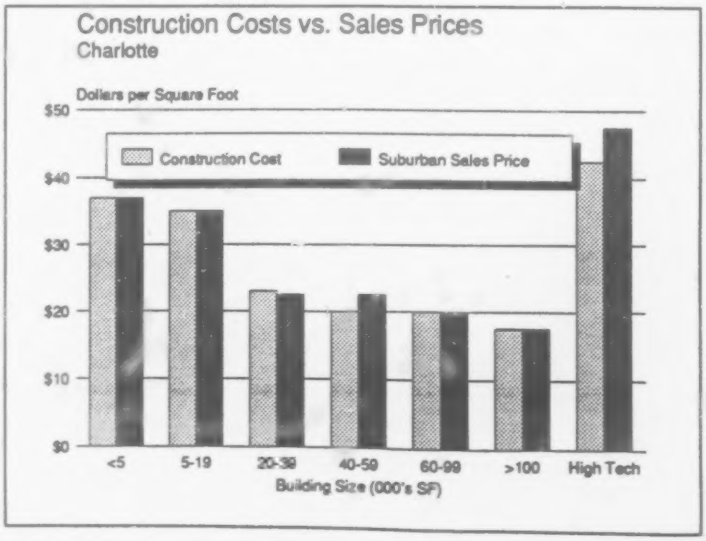
Prime Source of Financing: Insurance Companies, Commercial Banks

Mortgage Money Supply: Moderate

Construction Costs	
Less than 5,000 sf	37.00
5,000 to 19,999 sf	35.00
20,000 to 39,999 sf	23.00
40,000 to 59,999 sf	20.00
60,000 to 99,999 sf	20.00
More than 99,999 sf	17.50
High Tech/R&D	42.50

Vacancy Indicators	
Less than 5,000 sf	Substantial Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Moderate Shortage
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Substantial Shortage
High Tech/R&D	Substantial Oversupply

Composition of Absorption	
Warehouse/Distribution	65%
Manufacturing	15%
High Tech/R&D	20%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same



1990 Review

Despite net absorption of 4.2 million sq. ft., a 60 pecent jump from last year, SIOR's reporter points out that the market is actually moving very slowly. Vacancy rates are up overall and space is available at rates 10 to 20 percent below market value. Large bulk type facilities of 50,000 sq. ft. or larger are the healthiest sector of the market and are enjoying good leasing activity. There is a reported oversupply of smaller properties and R&D structures. Despite good investment opportunities, sales are slow as cash is not readily available and foreign investors are in a holding pattern.

1991 Forecast

While the outlook for Charlotte's economy looks positive, the industrial market is not expected to exhibit major signs of improvement in 1991. All market indicators should remain constant, with absorption remaining strong but being outweighed by space additions. The majority of proposed speculative construction may be on hold for up to 12 months until the market moves closer to equilibrium.

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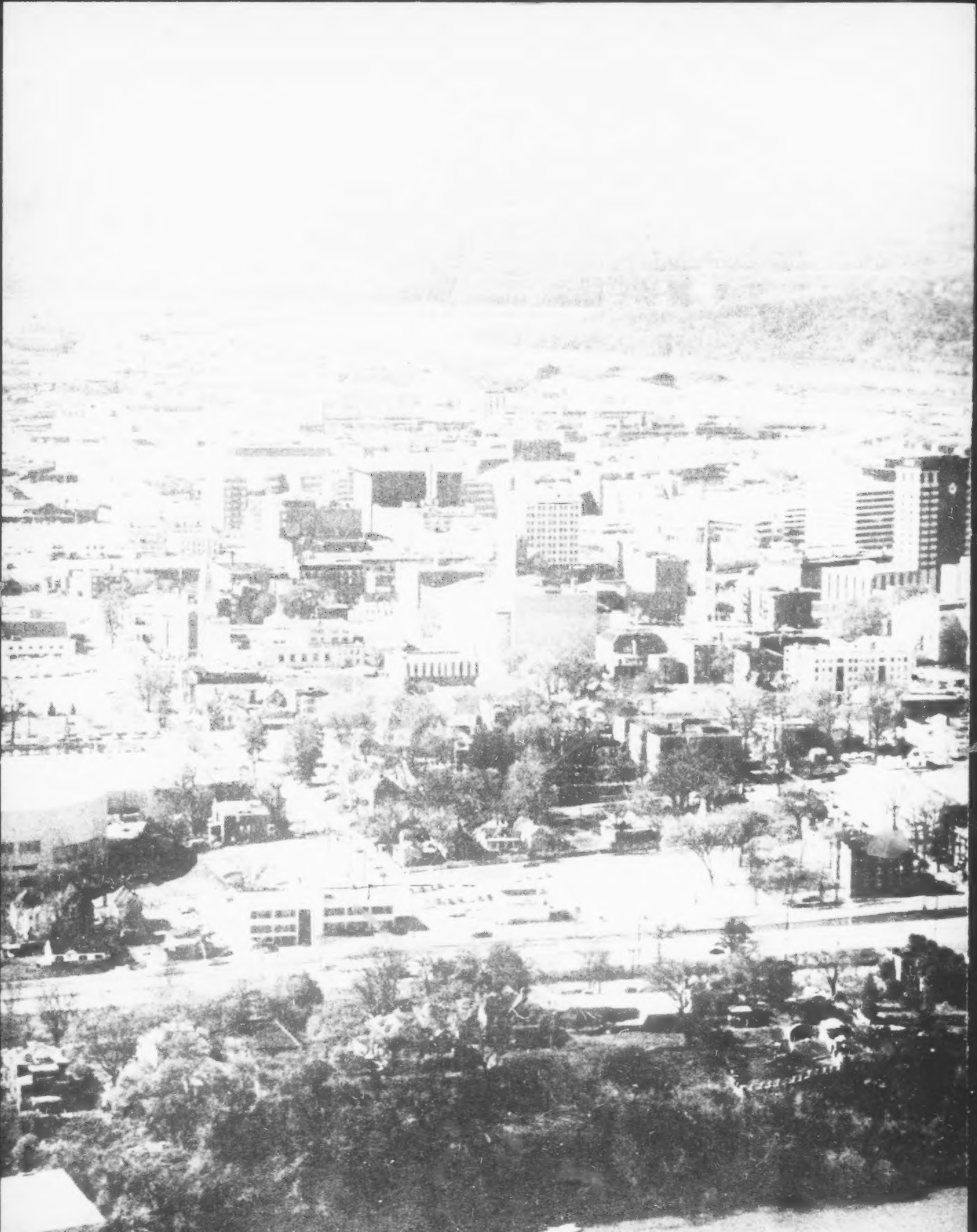


CHATTANOOGA, TENNESSEE: INDUSTRIAL

Chattanooga, Tennessee

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	n/a	n/a
Vacant	450,000	260,000
Vacancy Rates	n/a	n/a
Under Construction	0	0
Net Absorption	145,000	150,000

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	22.00	23.00
5,000 to 19,999 sf	22.00	23.00
20,000 to 39,999 sf	18.00	20.00
40,000 to 59,999 sf	16.00	12.00
60,000 to 99,999 sf	16.00	8.00
More than 99,999 sf	10.00	8.00
High Tech/R&D	-	-

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	3.25	3.00
5,000 to 19,999 sf	3.25	3.00
20,000 to 39,999 sf	2.75	2.75
40,000 to 59,999 sf	2.50	2.50
60,000 to 99,999 sf	2.50	2.50
More than 99,999 sf	2.25	2.00
High Tech/R&D	-	-

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	1.40	1.00
2 to 5 acres	1.00	1.00
5 to 10 acres	1.00	0.75
More than 10 acres	0.75	0.50
Unimproved Sites		
Less than 10 acres	0.60	0.50
10 to 100 acres	0.40	0.25
More than 100 acres	n/a	0.20

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Moderate

Construction Costs	
Less than 5,000 sf	25.00
5,000 to 19,999 sf	22.00
20,000 to 39,999 sf	22.00
40,000 to 59,999 sf	20.00
60,000 to 99,999 sf	18.00
More than 99,999 sf	16.00
High Tech/R&D	

Vacancy Indicators	
Less than 5,000 sf	Substantial Shortage
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Moderate Shortage
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Balanced Market
High Tech/R&D	

Composition of Absorption	
Warehouse/Distribution	75%
Manufacturing	25%
High Tech/R&D	0%
Rate of Construction	
Warehouse/Distribution	Up 20%
Manufacturing	Up 10%
High Tech/R&D	n/a
Dollar Volume - Sales	
Warehouse/Distribution	Up 8%
Manufacturing	Up 5%
High Tech/R&D	n/a
Dollar Volume - Leases	
Warehouse/Distribution	Up 10%
Manufacturing	Up 5%
High Tech/R&D	n/a

OUTLOOK

Sales Prices	
Warehouse/Distribution	Up 5%
Manufacturing	Same
High Tech/R&D	n/a
Lease Prices	
Warehouse/Distribution	Up 5%
Manufacturing	Same
High Tech/R&D	n/a
Site Prices	Same
Absorption	
Warehouse/Distribution	Up 8%
Manufacturing	Same
High Tech/R&D	n/a
Construction	
Warehouse/Distribution	Up 5%
Manufacturing	Same
High Tech/R&D	n/a
Dollar Volume - Sales	Up 5%
Dollar Volume - Leases	Up 10%

DEMOGRAPHICS

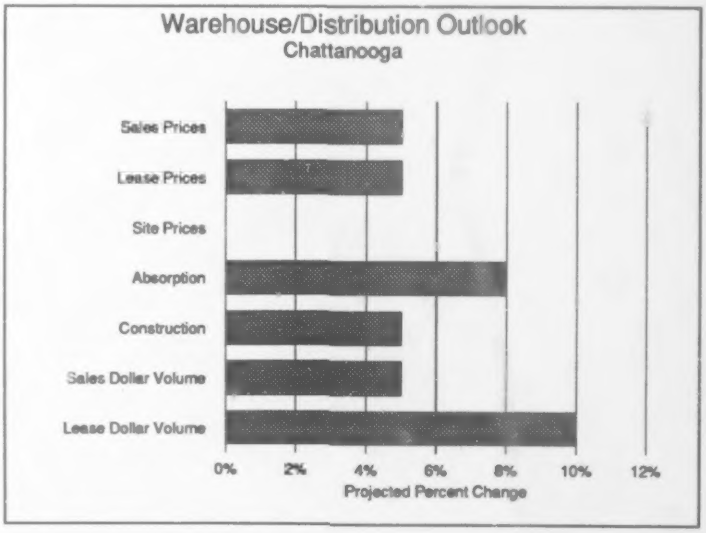
		Rank
Population	427,108	90
Population Growth Rate	0.01%	
Unemployment Rate	4.90%	
Median Household Income	$26,615	86
Cost of Living Index	91.3	73

1990 REVIEW

While most markets have been forced to weather gross space availabilities from a building boom in the 1980s, Chattanooga's market is actually facing shortages. Construction activity has not kept pace with user demand. The development of two new facilities, spurred by Japanese investment, and the addition of 400,000 sq. ft., placed on the market by a major company, resulted in a significant increase in available space. Despite these additions, Chattanooga's market is facing shortages among facilities under 60,000 sq. ft. Sale and lease transaction volumes increased, highlighted by the purchase of a large scale facility by a British firm making headlines.

1991 FORECAST

SIOR's market reporter predicts modest but positive change among most of the market segments. Warehouse/distribution facilities will exhibit a five percent rise in sales and lease prices. The construction of warehouse buildings will also increase and demand for them will rise. Purely speculative development should include completion of a 50,000 sq. ft. building which is currently in planning stages.



Chicago, Illinois: Industrial

Central City-Chicago, Illinois

Market Data

Inventory (sf)	Central City	Suburban
Total	185,000,000	-
Vacant	19,500,000	-
Vacancy Rates	10.5%	-
Under Construction	0	-
Net Absorption	-8,000,000	-

Prime Source of Financing: Cash Rich Investors

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	44.00	-
5,000 to 19,999 sf	38.50	-
20,000 to 39,999 sf	33.00	-
40,000 to 59,999 sf	25.75	-
60,000 to 99,999 sf	22.66	-
More than 99,999 sf	20.60	-
High Tech/R&D	n/a	-

Construction Costs	
Less than 5,000 sf	45.00
5,000 to 19,999 sf	40.00
20,000 to 39,999 sf	38.00
40,000 to 59,999 sf	31.00
60,000 to 99,999 sf	30.00
More than 99,999 sf	27.00
High Tech/R&D	55.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	4.50	-
5,000 to 19,999 sf	4.00	-
20,000 to 39,999 sf	3.00	-
40,000 to 59,999 sf	3.00	-
60,000 to 99,999 sf	2.75	-
More than 99,999 sf	2.75	-
High Tech/R&D	6.00	-

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Balanced Market
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	1.50-6.00	-
2 to 5 acres	1.50-6.00	-
5 to 10 acres	1.25-4.50	-
More than 10 acres	1.00-4.50	-
Unimproved Sites		
Less than 10 acres	n/a	-
10 to 100 acres	n/a	-
More than 100 acres	n/a	-

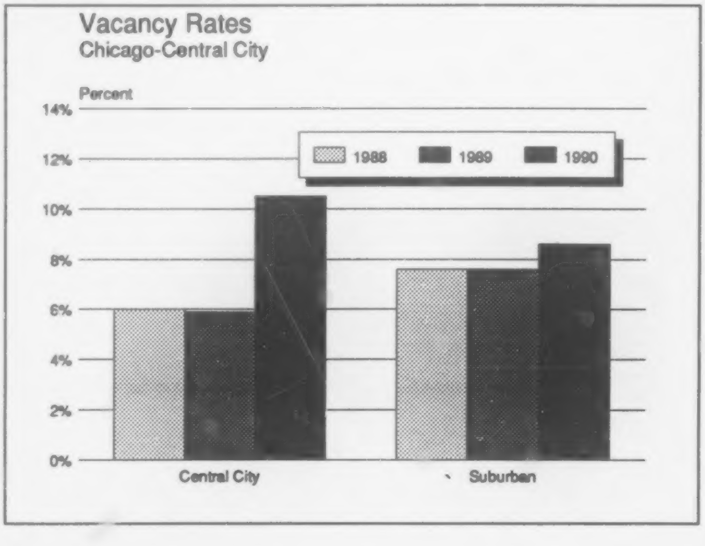
Composition of Absorption	
Warehouse/Distribution	80%
Manufacturing	15%
High Tech/R&D	5%
Rate of Construction	
Warehouse/Distribution	Down 20%
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Down 10%
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Down 10%

Outlook

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Same
Dollar Volume - Sales	Down 12%
Dollar Volume - Leases	Down 12%

Demographics

		Rank
Population	5,920,735	3
Population Growth Rate	-0.23%	
Unemployment Rate	6.50%	
Median Household Income	$34,086	25
Cost of Living Index	n/a	n/a



1990 Review

The industrial vacancy rate soared to 10.5 percent in the city of Chicago. The availability of nine large industrial properties was primarily responsible for this rise and the consequent negative absorption rate. The degree to which this market is oversupplied is not as severe as during the 1979-1982 contraction, according to SIOR's reporters. Construction activity last year was nil. Several older warehouse and manufacturing facilities were converted to mixed-use structures offering retail, office, and residential quarters.

1991 Forecast

The inventory of industrial facilities will shrink as buildings become functionally obsolete and the trend towards adaptive re-use gains popularity. SIOR's local observers foresee further weakening for this market in 1991, with recovery depending upon the end of the national recession.

CHICAGO NEWS

Sunday, January 27, 1991

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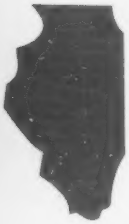

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- Sale-Leasebacks

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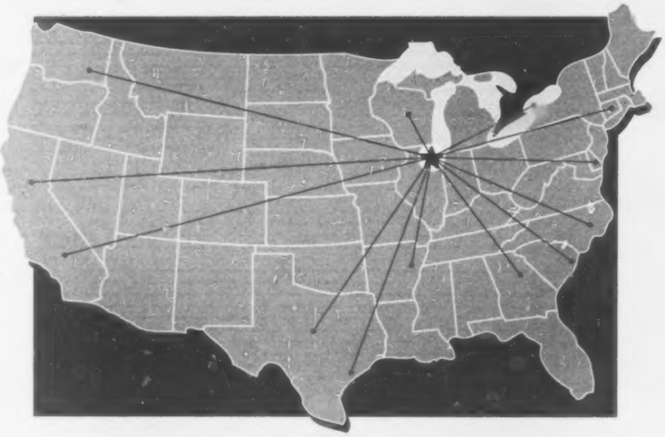

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CRA's 1990 highlighted transactions include:

Investment Property Group:	Industrial Property Group:
• Hawthorne Works Chicago, Illinois 1,345,000 Sq. Ft. **Sold**	• Tollway Park of Commerce North Aurora, Illinois 100-Acre Business Park **Sold**
• 1700 West 119th St. Chicago, Illinois 623,000 Sq. Ft. **Sold**	• 1010 Sesame Street Bensenville, Illinois 250,000 Sq. Ft. **Leased**
• 350 South Route 53 Addison, Illinois 450,000 Sq. Ft. **Sale-Leaseback**	• Lincolnshire Business Ctr. Lincolnshire, Illinois 3 buildings -168,000 Sq. Ft. **Sold**

CRA

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CHICAGO, ILLINOIS: INDUSTRIAL

Suburban-Chicago, Illinois

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	-	525,000,000
Vacant	-	45,000,000
Vacancy Rates	-	8.6%
Under Construction	-	4,000,000
Net Absorption	-	-5,000,000

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	55.00
5,000 to 19,999 sf	-	47.00
20,000 to 39,999 sf	-	40.00
40,000 to 59,999 sf	-	36.00
60,000 to 99,999 sf	-	32.00
More than 99,999 sf	-	32.00
High Tech/R&D	-	n/a

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	-	5.75
5,000 to 19,999 sf	-	4.25
20,000 to 39,999 sf	-	3.75
40,000 to 59,999 sf	-	3.40
60,000 to 99,999 sf	-	3.50
More than 99,999 sf	-	3.35
High Tech/R&D	-	6.50-9.50

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	2.50-6.00
2 to 5 acres	-	2.50-6.00
5 to 10 acres	-	2.00-4.50
More than 10 acres	-	1.50-4.00
Unimproved Sites		
Less than 10 acres	-	1.25-3.50
10 to 100 acres	-	0.50-2.00
More than 100 acres	-	0.20-1.25

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Same
Dollar Volume - Sales	Down 12%
Dollar Volume - Leases	Down 12%

DEMOGRAPHICS

		Rank
Population	5,920,735	3
Population Growth Rate	-0.23%	
Unemployment Rate	6.50%	
Median Household Income	$34,086	25
Cost of Living [illegible]ex	n/a	n/a

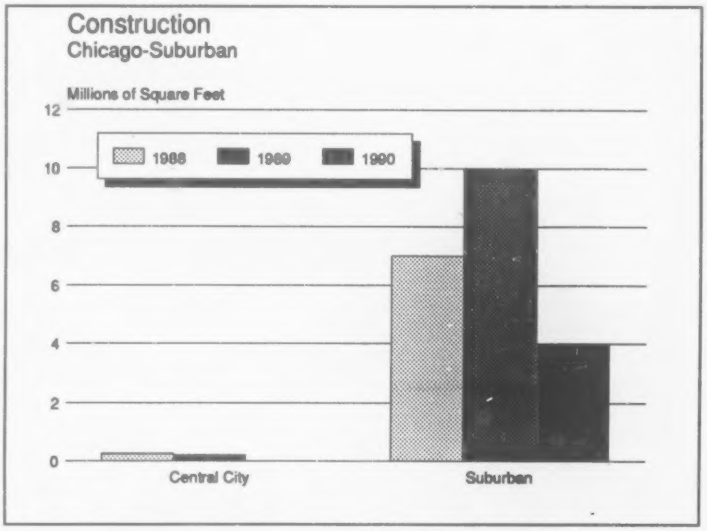
Prime Source of Financing: Cash Rich Investors

Mortgage Money Supply: Tight

Construction Costs	
Less than 5,000 sf	45.00
5,000 to 19,999 sf	40.00
20,000 to 39,999 sf	38.00
40,000 to 59,999 sf	31.00
60,000 to 99,999 sf	30.00
More than 99,999 sf	27.00
High Tech/R&D	55.00

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Balanced Market
High Tech/R&D	Balanced Market

Composition of Absorption	
Warehouse/Distribution	80%
Manufacturing	15%
High Tech/R&D	5%
Rate of Construction	
Warehouse/Distribution	Down 20%
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Down 10%
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Down 10%



1990 REVIEW

Demand for industrial space did not keep pace with new supply in the suburbs. Consequently, the vacancy rate rose to 8.6 percent and absorption was negative five million sq. ft. Although speculative construction activity has been slowed by a lack of available financing, there is currently four million sq. ft. underway in the suburban market. Transactions were stymied because businesses have been reluctant to make long-term commitments at a time when the national and international situations appear uncertain.

1991 FORECAST

The economic downturn will moderately impact Chicago's suburban industrial market. Prices will decline slightly, fewer buildings will be built, and fewer users will make commitments during 1991. In general, the area has not suffered many plant closings and few companies have downsized. A strong retail sector should sustain demand in the warehouse market at about 90 percent of last year's level of increase.

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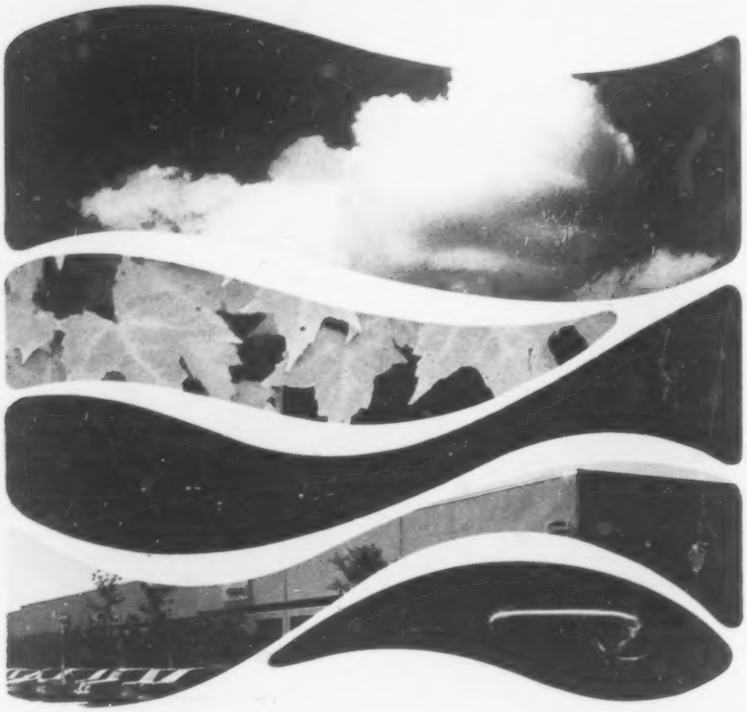

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CINCINNATI, OHIO: INDUSTRIAL

Cincinnati, Ohio

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	79,000,000	188,000,000
Vacant	800,000	5,545,000
Vacancy Rates	1.0%	2.9%
Under Construction	0	900,000
Net Absorption	600,000	-1,945,000

Prime Source of Financing: Insurance Companies, Commercial Banks

Mortgage Money Supply: Moderate

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	40.00	40.00
5,000 to 19,999 sf	24.00	24.00
20,000 to 39,999 sf	22.00	22.00
40,000 to 59,999 sf	21.00	20.00
60,000 to 99,999 sf	20.00	18.00
More than 99,999 sf	20.00	17.00
High Tech/R&D	45.00	45.00

Construction Costs	
Less than 5,000 sf	40.00
5,000 to 19,999 sf	30.00
20,000 to 39,999 sf	25.00
40,000 to 59,999 sf	21.00
60,000 to 99,999 sf	19.00
More than 99,999 sf	18.00
High Tech/R&D	45.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	5.00	4.50
5,000 to 19,999 sf	3.50	3.50
20,000 to 39,999 sf	3.50	3.25
40,000 to 59,999 sf	3.00	3.00
60,000 to 99,999 sf	3.00	2.85
More than 99,999 sf	3.00	2.75
High Tech/R&D	7.50	7.50

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Balanced Market
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Balanced Market
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	3.00	1.75
2 to 5 acres	2.50	1.50
5 to 10 acres	2.25	1.20
More than 10 acres	1.75	1.00
Unimproved Sites		
Less than 10 acres	-	0.60
10 to 100 acres	-	0.40
More than 100 acres	-	0.25

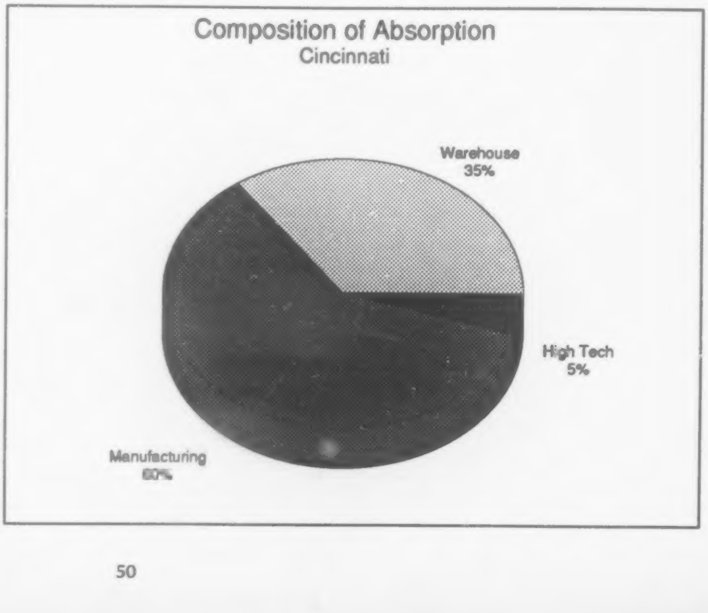
Composition of Absorption	
Warehouse/Distribution	35%
Manufacturing	60%
High Tech/R&D	5%
Rate of Construction	
Warehouse/Distribution	Down 50%
Manufacturing	Up 10%
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Up 10%
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Down 5%
Manufacturing	Up 10%
High Tech/R&D	Same

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 5%
High Tech/R&D	Down 10%
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Down 5%
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	1,422,649	33
Population Growth Rate	0.15%	
Unemployment Rate	3.80%	
Median Household Income	$30,471	57
Cost of Living Index	104.9	23



1990 REVIEW

The addition of new facilities has helped bring this market closer to equilibrium compared with last year's shortage conditions. Vacancies rose modestly but remained low at 2.3 percent overall. The expansion of local manufacturing users accounted for the largest share of the activity. To a lesser extent, foreign firms expanded in fringe areas.

1991 FORECAST

Cincinnati's economy is vibrant and its healthy manufacturing base should help allay the adverse effects of a weakened national economy. An adequate supply of new construction on stream should keep speculative development within bounds. Most indicators are predicted to remain steady in 1991, although prices may decline five to 10 percent. Generally speaking, this should not be a year conducive to bets on above-par performance in the Cincinnati industrial market.

Cleveland, Ohio: Industrial

Cleveland and seven surounding counties

Market Data

Inventory (sf)	Central City	Suburban
Total	110,000,000	167,000,000
Vacant	22,000,000	15,030,000
Vacancy Rates	20.0%	9.0%
Under Construction	150,000	1,000,000
Net Absorption	200,000	1,500,000

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	33.00	39.00
5,000 to 19,999 sf	28.00	33.00
20,000 to 39,999 sf	27.00	31.00
40,000 to 59,999 sf	22.00	29.00
60,000 to 99,999 sf	19.00	25.00
More than 99,999 sf	17.00	20.00
High Tech/R&D	n/a	50.00

Construction Costs	
Less than 5,000 sf	50.00
5,000 to 19,999 sf	43.00
20,000 to 39,999 sf	38.00
40,000 to 59,999 sf	34.00
60,000 to 99,999 sf	30.00
More than 99,999 sf	26.00
High Tech/R&D	60.00

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	4.25	5.00
5,000 to 19,999 sf	3.75	4.50
20,000 to 39,999 sf	3.15	3.92
40,000 to 59,999 sf	2.75	3.45
60,000 to 99,999 sf	2.62	3.17
More than 99,999 sf	2.35	2.70
High Tech/R&D	n/a	10.00

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Moderate Shortage
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Moderate Oversupply
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	1.50-3.00	1.50-3.00
2 to 5 acres	1.50-3.00	1.40-3.00
5 to 10 acres	1.25-2.25	1.40-3.00
More than 10 acres	1.25-1.75	1.25-2.50
Unimproved Sites		
Less than 10 acres	n/a	0.45
10 to 100 acres	n/a	0.32
More than 100 acres	n/a	0.18

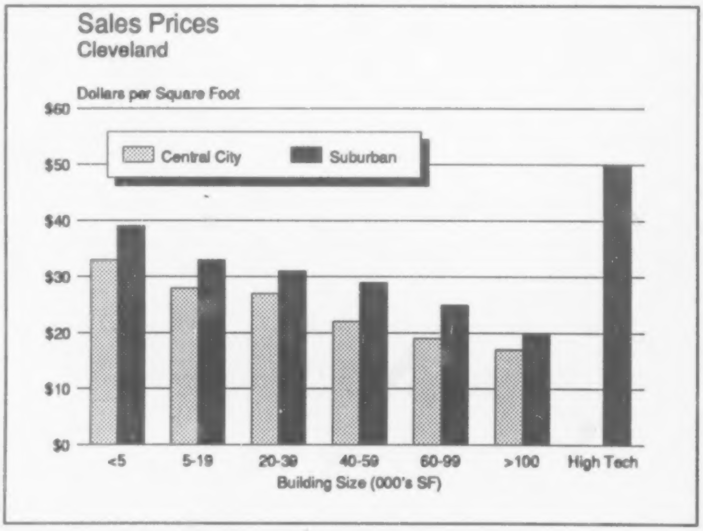
Composition of Absorption	
Warehouse/Distribution	55%
Manufacturing	33%
High Tech/R&D	12%
Rate of Construction	
Warehouse/Distribution	Down 25%
Manufacturing	Down 25%
High Tech/R&D	Up 10%
Dollar Volume - Sales	
Warehouse/Distribution	Down 10%
Manufacturing	Down 15%
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Same

Outlook

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Up 5%
Absorption	
Warehouse/Distribution	Down 15%
Manufacturing	Down 10%
High Tech/R&D	Down 20%
Construction	
Warehouse/Distribution	Down 20%
Manufacturing	Same
High Tech/R&D	Down 5%
Dollar Volume - Sales	Down 15%
Dollar Volume - Leases	Down 10%

Demographics

		Rank
Population	1,892,916	25
Population Growth Rate	-0.03%	
Unemployment Rate	4.30%	
Median Household Income	$30,505	56
Cost of Living Index	106.6	19



1990 Review

Cleveland's modest economic recovery has stalled as auto sales and exports declined. The city did not experience overbuilding during the 1980s. But the central city suffers with outmoded facilities. In fact, SIOR reporters reviewed their database of industrial inventory and eliminated spaces not considered rentable in today's market. The overall vacancy rate of 13.4 percent inevitably still includes some functionally obsolete facilities, though. The market is generally considered undersupplied with modern facilities less than 150,000 sq. ft.

1991 Forecast

Increasing construction costs and a tight money supply will hold down new starts in 1991, especially given the relatively low sales prices. Recent optimism regarding development potential in Cleveland will be tempered and replaced with cautious planning. SIOR reporters expect demand to remain slow through the first half of 1991 and then pick up in the second half, ending the year with a reasonably balanced industrial market.

COLUMBIA, SOUTH CAROLINA: INDUSTRIAL

Columbia, South Carolina

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	4,500,000	19,850,000
Vacant	270,000	1,389,500
Vacancy Rates	6.0%	7.0%
Under Construction	0	150,000
Net Absorption	0	0

Prime Source of Financing: Commercial Banks, Owner Financing

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	20.00	20.00
5,000 to 19,999 sf	20.00	20.00
20,000 to 39,999 sf	20.00	20.00
40,000 to 59,999 sf	10.00	10.00
60,000 to 99,999 sf	10.00	10.00
More than 99,999 sf	10.00	10.00
High Tech/R&D	50.00	50.00

Construction Costs	
Less than 5,000 sf	25.00
5,000 to 19,999 sf	23.00
20,000 to 39,999 sf	20.00
40,000 to 59,999 sf	18.00
60,000 to 99,999 sf	17.00
More than 99,999 sf	17.00
High Tech/R&D	50.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	3.00	3.00
5,000 to 19,999 sf	3.00	3.00
20,000 to 39,999 sf	3.00	3.00
40,000 to 59,999 sf	2.50	2.50
60,000 to 99,999 sf	2.50	2.50
More than 99,999 sf	2.00	2.00
High Tech/R&D	6.50	6.50

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Balanced Market
High Tech/R&D	Moderate Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	3.50	2.50
2 to 5 acres	3.50	2.50
5 to 10 acres	2.00	1.00
More than 10 acres	2.00	1.00
Unimproved Sites		
Less than 10 acres	0.70	0.70
10 to 100 acres	0.50	0.50
More than 100 acres	0.30	0.30

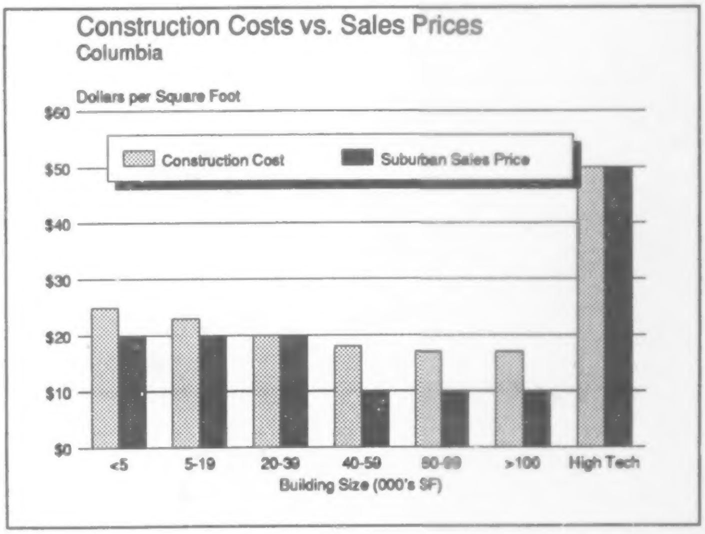
Composition of Absorption	
Warehouse/Distribution	20%
Manufacturing	0%
High Tech/R&D	80%
Rate of Construction	
Warehouse/Distribution	Down 20%
Manufacturing	Down 50%
High Tech/R&D	Up 20%
Dollar Volume - Sales	
Warehouse/Distribution	Down 25%
Manufacturing	Down 50%
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Up 10%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down 5%
Manufacturing	Down 15%
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Down 10%
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Up 10%
Manufacturing	Same
High Tech/R&D	Up 10%
Construction	
Warehouse/Distribution	Down 100%
Manufacturing	Down 100%
High Tech/R&D	Down 100%
Dollar Volume - Sales	Same
Dollar Volume - Leases	Up 10%

DEMOGRAPHICS

		Rank
Population	464,312	85
Population Growth Rate	1.25%	
Unemployment Rate	4.30%	
Median Household Income	$30,363	58
Cost of Living Index	101.2	39



1990 REVIEW

Columbia's industrial market experienced a year with no absorption and minimal new construction. All new construction occurred in the High Tech/R&D sector, which was also the only sector to experience increased volume of leasing. Sales and lease prices remained relatively stagnant. SIOR's reporter labeled the market oversupplied in all but the 100,000 sq. ft. or more category. Large, single user facilities required exposure to the market for 24 months or more before attracting buyers or lessees.

1991 FORECAST

Columbia's economy relies heavily on state and city government which collectively employ 27 percent of the labor force. The industrial market in Columbia is small and users are cautious regarding expansion potential. No speculative new development is planned for 1991. Overall, the industrial market is expected to experience another stagnant year.

Columbus, Ohio: Industrial

Columbus, Ohio

Market Data

Inventory (sf)	Central City	Suburban
Total	19,500,000	91,500,000
Vacant	572,000	4,700,000
Vacancy Rates	2.9%	5.1%
Under Construction	0	1,500,000
Net Absorption	28,000	2,300,000

Prime Source of Financing: Insurance Companies, Owner Financing, SBA - 503

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	25.00-32.00	28.00-40.00
5,000 to 19,999 sf	22.00-30.00	20.00-35.00
20,000 to 39,999 sf	13.00-16.00	18.00-28.00
40,000 to 59,999 sf	12.00-14.00	18.00-30.00
60,000 to 99,999 sf	12.00-14.00	14.00-30.00
More than 99,999 sf	12.00-14.00	12.00-30.00
High Tech/R&D	30.00-40.00	30.00-50.00

Construction Costs	
Less than 5,000 sf	30.00-45.00
5,000 to 19,999 sf	25.00-35.00
20,000 to 39,999 sf	18.00-28.00
40,000 to 59,999 sf	15.00-25.00
60,000 to 99,999 sf	14.00-22.00
More than 99,999 sf	12.00-18.00
High Tech/R&D	35.00-50.00

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	n/a	3.75-5.50
5,000 to 19,999 sf	n/a	3.00-4.75
20,000 to 39,999 sf	n/a	2.50-4.50
40,000 to 59,999 sf	n/a	2.50-3.75
60,000 to 99,999 sf	n/a	2.25-3.30
More than 99,999 sf	n/a	2.00-3.00
High Tech/R&D	n/a	4.50-8.00

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Moderate Oversupply
High Tech/R&D	Moderate Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	n/a	0.80-2.15
2 to 5 acres	n/a	0.80-1.60
5 to 10 acres	n/a	0.37-1.40
More than 10 acres	n/a	0.32-0.90
Unimproved Sites		
Less than 10 acres	n/a	0.25
10 to 100 acres	n/a	0.18-0.55
More than 100 acres	n/a	0.12-0.20

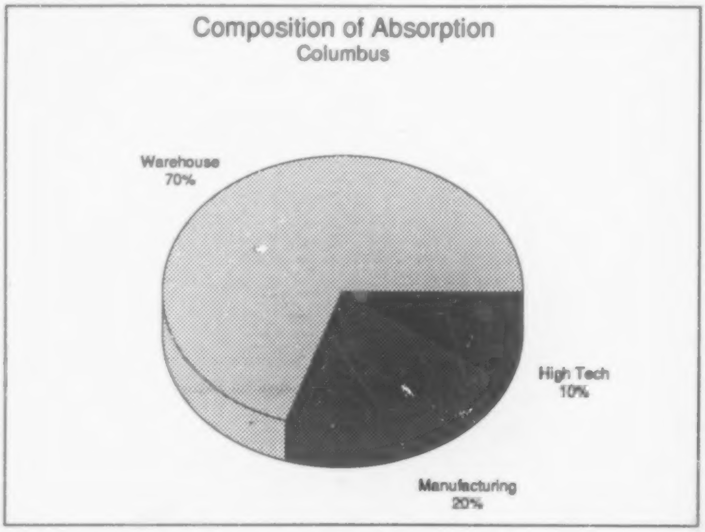
Composition of Absorption	
Warehouse/Distribution	70%
Manufacturing	20%
High Tech/R&D	10%
Rate of Construction	
Warehouse/Distribution	Down 40%
Manufacturing	Down 75%
High Tech/R&D	Down 80%
Dollar Volume - Sales	
Warehouse/Distribution	Up 12%
Manufacturing	Up 12%
High Tech/R&D	Up 12%
Dollar Volume - Leases	
Warehouse/Distribution	Up 5%
Manufacturing	Same
High Tech/R&D	Same

Outlook

Sales Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Up 10%
Manufacturing	Up 10%
High Tech/R&D	Up 10%
Construction	
Warehouse/Distribution	Down 25%
Manufacturing	Down 25%
High Tech/R&D	Down 60%
Dollar Volume - Sales	Down 10%
Dollar Volume - Leases	Up 10%

Demographics

		Rank
Population	1,360,146	37
Population Growth Rate	0.90%	
Unemployment Rate	3.80%	
Median Household Income	$29,550	68
Cost of Living Index	106.3	20



1990 Review

Columbus' location in the center of Ohio makes it an important distribution center. Industrial demand in Columbus was strong during the first quarter of 1990 and then dropped off during the second half of the year. However, with strong absorption and relatively slow construction, overall vacancy declined one percentage point. Low vacancy rates may not tell the whole story in Columbus where public warehouses occupy approximately 2,000,000 sq. ft. of large warehouse space on short term leases. When these short term leases expire, vacancy rates could increase.

1991 Forecast

Although the national economy will continue its slide in 1991, Columbus is expected to remain relatively strong and maintain its status as one of the most prosperous cities in the midwest. SIOR reporters anticipate new construction to drop off in 1991 due to difficulties in obtaining financing. Declining construction costs resulting from steel discounts will probably contribute to a softening of sales prices.

CONTRA COSTA, CALIFORNIA: INDUSTRIAL

San Francisco, Oakland, Suburban Industrial - East includes Alameda, Eastern Contra Costa, and Solano Counties

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	-	35,300,000
Vacant	-	4,100,000
Vacancy Rates	-	11.6%
Under Construction	-	1,630,000
Net Absorption	-	1,800,000

Prime Source of Financing: Insurance Companies, Commercial Banks

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	75.00
5,000 to 19,999 sf	-	55.00-65.00
20,000 to 39,999 sf	-	30.00-40.00
40,000 to 59,999 sf	-	30.00-35.00
60,000 to 99,999 sf	-	n/a
More than 99,999 sf	-	n/a
High Tech/R&D	-	n/a

Construction Costs	
Less than 5,000 sf	60.00-75.00
5,000 to 19,999 sf	45.00-55.00
20,000 to 39,999 sf	30.00-35.00
40,000 to 59,999 sf	28.00-32.00
60,000 to 99,999 sf	n/a
More than 99,999 sf	n/a
High Tech/R&D	55.00-75.00

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	-	2.40
5,000 to 19,999 sf	-	4.50
20,000 to 39,999 sf	-	3.84
40,000 to 59,999 sf	-	3.12
60,000 to 99,999 sf	-	2.64
More than 99,999 sf	-	2.40
High Tech/R&D	-	9.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Substantial Shortage
High Tech/R&D	Moderate Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	3.50-9.00
2 to 5 acres	-	3.00-7.50
5 to 10 acres	-	2.50-6.00
More than 10 acres	-	2.25-5.00
Unimproved Sites		
Less than 10 acres	-	2.00-3.00
10 to 100 acres	-	0.75-2.00
More than 100 acres	-	n/a

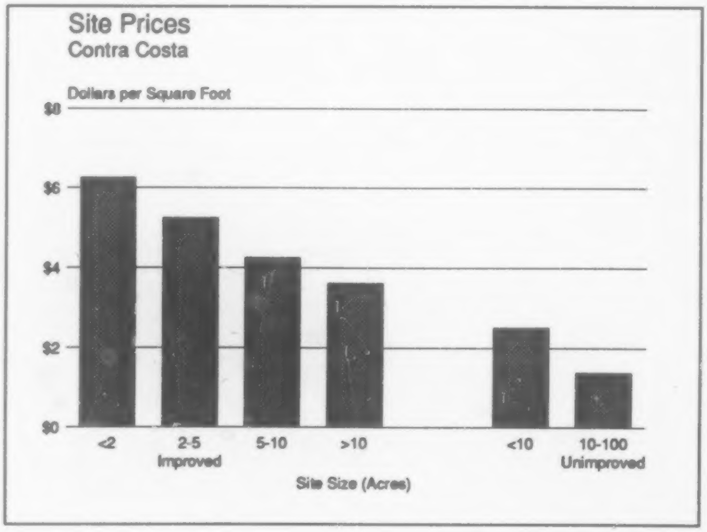
Composition of Absorption	
Warehouse/Distribution	65%
Manufacturing	30%
High Tech/R&D	5%
Rate of Construction	
Warehouse/Distribution	Down 33%
Manufacturing	Down 25%
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Down 15%
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Down 30%
Manufacturing	Down 25%
High Tech/R&D	Same

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Up 3%
Manufacturing	Up 5%
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Down 20%
Manufacturing	Down 10%
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Down 20%
Manufacturing	Down 10%
High Tech/R&D	Down 33%
Dollar Volume - Sales	Same
Dollar Volume - Leases	Down 25%

DEMOGRAPHICS

		Rank
Population	n/a	n/a
Population Growth Rate	n/a	
Unemployment Rate	n/a	
Median Household Income	n/a	n/a
Cost of Living Index	n/a	n/a



1990 REVIEW

Momentum slowed in this suburban industrial market last year. Sluggish leasing pushed the vacancy rate up to 11.6 percent and cut absorption back to 1.8 million sq. ft. Stringent financing policies contributed to the slowdown and halted speculative development. Users seeking space in the market purchased land to develop their own facility, or bought existing buildings. Consequently, the majority of new construction was build-to-suit projects.

1991 FORECAST

Contra Costa's industrial market will be even less active in 1991. The number of lease transactions will continue to decline. New construction will focus on build-to-suit projects only. With only a modest amount of land available in the core metropolitan area, users seeking sites to develop or to expand their facilities will instead look along transportation corridors.

CORPUS CHRISTI, TEXAS: INDUSTRIAL

Corpus Christi, Texas

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	2,400,000	5,900,000
Vacant	202,000	528,000
Vacancy Rates	8.4%	8.9%
Under Construction	0	300,000
Net Absorption	110,000	200,000

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	18.00	21.00
5,000 to 19,999 sf	17.00	18.00
20,000 to 39,999 sf	16.00	18.00
40,000 to 59,999 sf	16.00	16.00
60,000 to 99,999 sf	16.00	16.00
More than 99,999 sf	n/a	n/a
High Tech/R&D	n/a	n/a

Construction Costs	
Less than 5,000 sf	22.50
5,000 to 19,999 sf	18.50
20,000 to 39,999 sf	14.50
40,000 to 59,999 sf	14.50
60,000 to 99,999 sf	12.00
More than 99,999 sf	12.00
High Tech/R&D	n/a

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	2.60	2.80
5,000 to 19,999 sf	2.30	2.40
20,000 to 39,999 sf	2.10	2.15
40,000 to 59,999 sf	2.00	2.15
60,000 to 99,999 sf	1.80	1.80
More than 99,999 sf	1.10	1.50
High Tech/R&D	n/a	n/a

Vacancy Indicators	
Less than 5,000 sf	Moderate Shortage
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Moderate Shortage
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Balanced Market
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	1.50	1.00
2 to 5 acres	1.50	0.95
5 to 10 acres	1.00	0.75
More than 10 acres	n/a	0.50
Unimproved Sites		
Less than 10 acres	n/a	0.50
10 to 100 acres	n/a	0.13
More than 100 acres	n/a	0.10

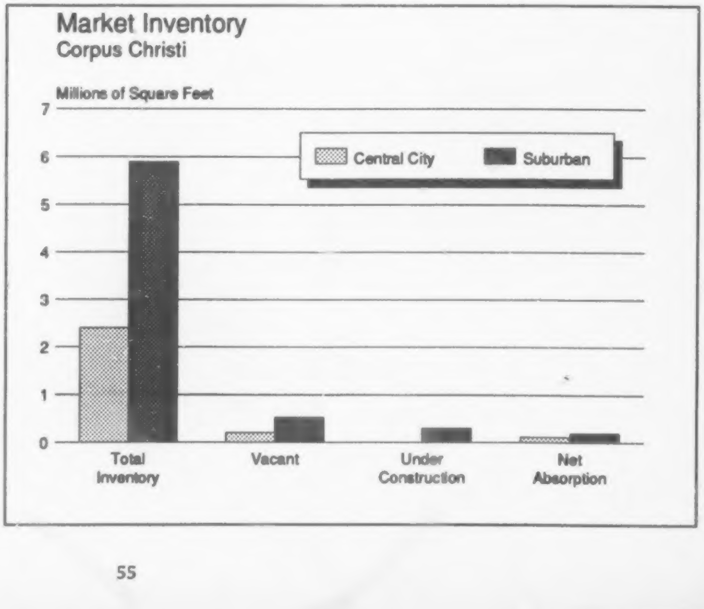
Composition of Absorption	
Warehouse/Distribution	50%
Manufacturing	35%
High Tech/R&D	15%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Up 30%
High Tech/R&D	Up 15%
Dollar Volume - Sales	
Warehouse/Distribution	Up 10%
Manufacturing	Same
High Tech/R&D	Up 10%
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Up 5%
Site Prices	Same
Absorption	
Warehouse/Distribution	Up 10%
Manufacturing	Up 15%
High Tech/R&D	Up 10%
Construction	
Warehouse/Distribution	Same
Manufacturing	Up 10%
High Tech/R&D	Up 15%
Dollar Volume - Sales	Up 5%
Dollar Volume - Leases	Up 5%

DEMOGRAPHICS

		Rank
Population	373,007	98
Population Growth Rate	1.35%	
Unemployment Rate	7.20%	
Median Household Income	$23,316	106
Cost of Living Index	96.4	58



1990 REVIEW

The purchase and lease of existing structures increased in 1990, diminishing the supply of available space and pushing the vacancy rate down to 8.8 percent. Expansion was notable among port-related petrochemical companies. Inexpensive pricing stimulated sales volume with users purchasing the facilities they lease. Interest from neighboring Mexico brought more investors into the market.

1991 FORECAST

The investment of $600 million towards the construction of a chemical plant and manufacturing facilities will play a major role in the local economy. Additionally, an estimated $20 million has been allocated for the improvement and expansion of the Port of Corpus Christi. An increase in sales and lease transactions stimulated by a growing market are the highlights of the 1991 outlook, as conveyed by SIOR's local observer.

DALLAS, TEXAS: INDUSTRIAL

Dallas, Texas

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	-	250,500,000
Vacant	-	26,500,000
Vacancy Rates	-	10.6%
Under Construction	-	600,000
Net Absorption	-	1,000,000

Prime Source of Financing: Insurance Companies, Pension Funds

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	40.00
5,000 to 19,999 sf	-	35.00
20,000 to 39,999 sf	-	30.00
40,000 to 59,999 sf	-	28.00
60,000 to 99,999 sf	-	26.00
More than 99,999 sf	-	25.00
High Tech/R&D	-	40.00

Construction Costs	
Less than 5,000 sf	24.00
5,000 to 19,999 sf	21.50
20,000 to 39,999 sf	16.00
40,000 to 59,999 sf	14.00
60,000 to 99,999 sf	13.00
More than 99,999 sf	12.50
High Tech/R&D	35.00

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	-	4.00
5,000 to 19,999 sf	-	3.45
20,000 to 39,999 sf	-	3.20
40,000 to 59,999 sf	-	3.15
60,000 to 99,999 sf	-	3.00
More than 99,999 sf	-	3.00
High Tech/R&D	-	5.50

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Moderate Shortage
High Tech/R&D	Moderate Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	3.25
2 to 5 acres	-	3.10
5 to 10 acres	-	2.75
More than 10 acres	-	2.50
Unimproved Sites		
Less than 10 acres	-	2.50
10 to 100 acres	-	2.00
More than 100 acres	-	1.50

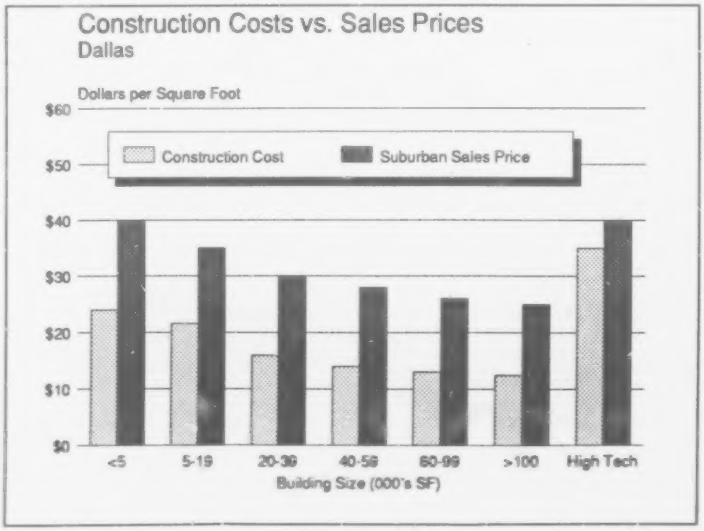
Composition of Absorption	
Warehouse/Distribution	85%
Manufacturing	10%
High Tech/R&D	5%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Down 20%
High Tech/R&D	Down 50%
Dollar Volume - Sales	
Warehouse/Distribution	Up 15%
Manufacturing	Same
High Tech/R&D	Down 10%
Dollar Volume - Leases	
Warehouse/Distribution	Up 5%
Manufacturing	Same
High Tech/R&D	Same

OUTLOOK

Sales Prices	
Warehouse/Distribution	Up 5%
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Up 5%
Manufacturing	Up 5%
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Up 10%
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Up 10%
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	2,708,619	11
Population Growth Rate	3.30%	
Unemployment Rate	5.30%	
Median Household Income	$32,745	33
Cost of Living Index	104.3	24



1990 REVIEW

Continued demand for high quality large bulk industrial space and a lack of speculative development allowed lease and sales prices to firm and the vacancy rate to fall to 10.6 percent. Leasing activity leaned heavily toward warehouse/distribution space. Supply conditions have not changed since last year as larger facilities have not been replaced. The presence of large multinational companies has bolstered the city's economy to the benefit of the industrial market.

1991 FORECAST

Dallas is still on the rebound from the excesses of the late 1980s. While the specter of banking woes still hangs over the city, an in-migration of major corporations, some local expansion, and the comeback of energy-related industries are stimulating growth. Speculative development will remain light except for projects substantially pre-leased. The warehouse/distribution market will present the most potential for expansion in 1991.

Dayton, Ohio: Industrial

Dayton-Springfield, Ohio SMSA including Clark, Greene, Miami and Montgomery Counties

Market Data

Inventory (sf)	Central City	Suburban
Total	8,600,000	37,000,000
Vacant	1,200,000	4,500,000
Vacancy Rates	14.0%	12.2%
Under Construction	0	750,000
Net Absorption	-550,000	750,000

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	28.00-33.00	31.00-36.00
5,000 to 19,999 sf	21.00-23.00	22.00-24.00
20,000 to 39,999 sf	18.00-23.00	19.00-24.00
40,000 to 59,999 sf	16.00-21.00	17.00-22.00
60,000 to 99,999 sf	13.00-15.00	14.00-16.00
More than 99,999 sf	10.00-14.00	11.00-15.00
High Tech/R&D	n/a	35.00-42.00

Construction Costs	
Less than 5,000 sf	40.00
5,000 to 19,999 sf	35.00
20,000 to 39,999 sf	22.00-32.00
40,000 to 59,999 sf	22.00-27.00
60,000 to 99,999 sf	18.00-22.00
More than 99,999 sf	16.00-22.00
High Tech/R&D	35.00-45.00

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	4.50	5.50
5,000 to 19,999 sf	3.50	3.50
20,000 to 39,999 sf	2.75	3.00-3.25
40,000 to 59,999 sf	2.25	2.75-3.00
60,000 to 99,999 sf	1.50-2.00	2.50-2.75
More than 99,999 sf	n/a	2.00-2.50
High Tech/R&D	n/a	7.00-9.50

Vacancy Indicators	
Less than 5,000 sf	Moderate Shortage
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Moderate Shortage
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	0.75-2.00	0.75-2.00
2 to 5 acres	1.00-2.00	1.00-1.50
5 to 10 acres	n/a	0.50-1.50
More than 10 acres	n/a	0.30-0.75
Unimproved Sites		
Less than 10 acres	n/a	0.25
10 to 100 acres	n/a	0.20
More than 100 acres	n/a	0.15

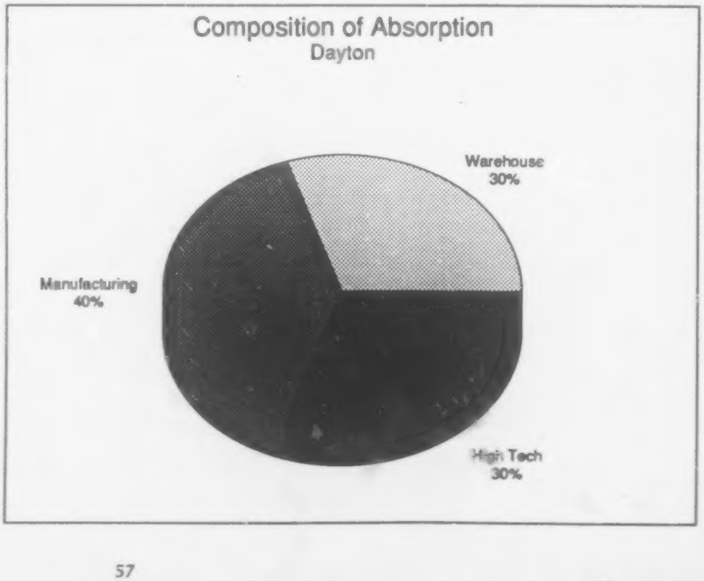
Composition of Absorption	
Warehouse/Distribution	30%
Manufacturing	40%
High Tech/R&D	30%
Rate of Construction	
Warehouse/Distribution	Down 10%
Manufacturing	Up 10%
High Tech/R&D	Down 10%
Dollar Volume - Sales	
Warehouse/Distribution	Down 20%
Manufacturing	Down 20%
High Tech/R&D	Down 20%
Dollar Volume - Leases	
Warehouse/Distribution	Down 10%
Manufacturing	Up 10%
High Tech/R&D	Same

Outlook

Sales Prices	
Warehouse/Distribution	Up 5%
Manufacturing	Up 5%
High Tech/R&D	Up 5%
Lease Prices	
Warehouse/Distribution	Up 5%
Manufacturing	Up 5%
High Tech/R&D	Up 5%
Site Prices	Up 5%
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

Demographics

		Rank
Population	964,115	52
Population Growth Rate	0.23%	
Unemployment Rate	4.60%	
Median Household Income	$29,663	67
Cost of Living Index	101.7	35



1990 Review

Dayton's industrial market was reported as relatively balanced in 1990 with slight shortages in small facilities of less than 20,000 sq. ft. and very large facilities of more than 100,000 sq. ft. Dayton found it difficult to attract significant new users not already located in the area. This represents a reversal of fortune as Dayton had been very successful in attracting foreign investment over the past several years. Absorption occurred primarily as a result of internal expansions and relocations. Sales prices and lease rates remained stable or softened.

1991 Forecast

With little speculative new development planned for 1991, sales and lease prices are expected to increase. Cutbacks at Wright-Patterson Air Force Base (the R&D center for the U.S. Air Force) will have a negative impact on the Dayton economy. However, rippling effects on related High Tech/R&D companies should be minimal. Dayton's diversified industrial market protects the area from experiencing severe downturns as a result of difficulties in any one industry.

DENVER, COLORADO: INDUSTRIAL

Littleton, Northglenn, Arvada, Westminster, Metro Denver, Aurora, Commerce City, Englewood, and Lakewood

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	30,800,000	119,200,000
Vacant	4,589,000	11,850,000
Vacancy Rates	14.9%	9.9%
Under Construction	0	600,000
Net Absorption	498,700	2,906,000

Prime Source of Financing: Insurance Companies

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	34.00	36.00
5,000 to 19,999 sf	26.00	28.00
20,000 to 39,999 sf	25.00	27.00
40,000 to 59,999 sf	23.00	25.00
60,000 to 99,999 sf	23.00	25.00
More than 99,999 sf	22.00	24.00
High Tech/R&D	40.00	45.00

Construction Costs	
Less than 5,000 sf	25.00
5,000 to 19,999 sf	22.00
20,000 to 39,999 sf	20.00
40,000 to 59,999 sf	19.00
60,000 to 99,999 sf	18.00
More than 99,999 sf	18.00
High Tech/R&D	30.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	3.50	5.00
5,000 to 19,999 sf	3.00	3.60
20,000 to 39,999 sf	2.20	2.35
40,000 to 59,999 sf	2.10	2.30
60,000 to 99,999 sf	2.00	2.20
More than 99,999 sf	2.00	2.20
High Tech/R&D	4.00	6.00

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Balanced Market
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Moderate Shortage
High Tech/R&D	Moderate Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	2.50
2 to 5 acres	-	2.25
5 to 10 acres	-	2.00
More than 10 acres	-	1.50
Unimproved Sites		
Less than 10 acres	-	1.00
10 to 100 acres	-	0.25-0.50
More than 100 acres	-	0.20-0.40

Composition of Absorption	
Warehouse/Distribution	41%
Manufacturing	30%
High Tech/R&D	29%
Rate of Construction	
Warehouse/Distribution	Up 5%
Manufacturing	Up 5%
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Up 5%
Manufacturing	Up 5%
High Tech/R&D	Up 5%
Dollar Volume - Leases	
Warehouse/Distribution	Up 25%
Manufacturing	Up 25%
High Tech/R&D	Up 20%

Outlook

Sales Prices	
Warehouse/Distribution	Up 10%
Manufacturing	Same
High Tech/R&D	Up 15%
Lease Prices	
Warehouse/Distribution	Up 10%
Manufacturing	Up 5%
High Tech/R&D	Up 15%
Site Prices	Same
Absorption	
Warehouse/Distribution	Up 20%
Manufacturing	Up 10%
High Tech/R&D	Up 18%
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Up 12%
Dollar Volume - Leases	Up 14%

DEMOGRAPHICS

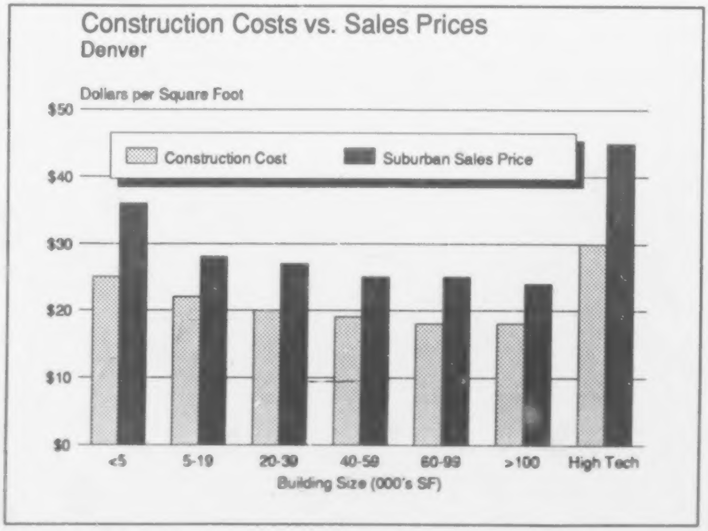
		Rank
Population	1,784,146	27
Population Growth Rate	2.25%	
Unemployment Rate	3.70%	
Median Household Income	$33,282	29
Cost of Living Index	101.5	36

1990 REVIEW

There was a sharp increase in demand for industrial space and each property type benefitted. The vacancy rate fell for the second year in a row and 3.4 million sq. ft. of space was absorbed. Leasing activity surged past last year's pace. Sale volumes rose as investors took advantage of favorable prices. A strong leasing year resulted in a shortage of blocks of space 100,000 sq. ft. or larger.

1991 FORECAST

Denver is brimming with growth once again. A new convention center has been well received, sales at the recently opened Cherry Creek Shopping Center are ahead of forecast, and construction on the new international airport continues on schedule. The expansion of local industries will help bolster the industrial market through 1991. Activity should outpace the 1990 level. In sum, there is encouraging progress to report in this long-depressed market.



DES MOINES, IOWA: INDUSTRIAL

Des Moines, Iowa

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	14,100,000	13,000,000
Vacant	2,600,000	600,000
Vacancy Rates	18.4%	4.6%
Under Construction	100,000	150,000
Net Absorption	0	200,000

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	22.00	22.00
5,000 to 19,999 sf	17.00	17.00
20,000 to 39,999 sf	15.00	15.00
40,000 to 59,999 sf	14.00	14.00
60,000 to 99,999 sf	13.00	13.00
More than 99,999 sf	-	-
High Tech/R&D	-	-

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	4.00	3.50
5,000 to 19,999 sf	2.75	2.75
20,000 to 39,999 sf	2.25	2.25
40,000 to 59,999 sf	1.75	1.75
60,000 to 99,999 sf	-	-
More than 99,999 sf	-	-
High Tech/R&D	6.75	6.75

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	1.50	1.40
2 to 5 acres	1.35	1.30
5 to 10 acres	1.25	1.10
More than 10 acres	0.80	0.70
Unimproved Sites		
Less than 10 acres	0.30	0.30
10 to 100 acres	0.30	0.25
More than 100 acres	n/a	0.20

Prime Source of Financing: Insurance Companies

Mortgage Money Supply: Tight

Construction Costs	
Less than 5,000 sf	30.00
5,000 to 19,999 sf	28.00
20,000 to 39,999 sf	26.00
40,000 to 59,999 sf	22.00
60,000 to 99,999 sf	-
More than 99,999 sf	-
High Tech/R&D	38.00

Vacancy Indicators	
Less than 5,000 sf	Substantial Shortage
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Substantial Shortage
60,000 to 99,999 sf	Substantial Shortage
More than 99,999 sf	Substantial Shortage
High Tech/R&D	Balanced Market

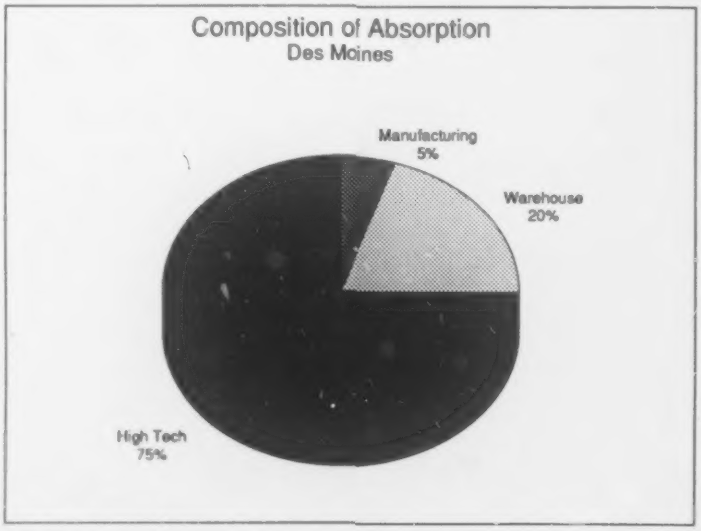
Composition of Absorption	
Warehouse/Distribution	20%
Manufacturing	5%
High Tech/R&D	75%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Down 20%
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Up 20%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Up 20%
Manufacturing	Up 10%
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Up 5%
Site Prices	Same
Absorption	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Down 10%
Dollar Volume - Leases	Down 10%

DEMOGRAPHICS

		Rank
Population	386,041	93
Population Growth Rate	0.49%	
Unemployment Rate	3.30%	
Median Household Income	$30,838	53
Cost of Living Index	101.1	41



1990 REVIEW

The absorption of 200,000 sq. ft. in the suburban market eased its vacancy rate to 4.6 percent. Poor absorption and the addition of new facilities pushed the CBD vacancy rate up to 18.4 percent. An estimated 75 percent of demand was for R&D facilities smaller than 20,000 sq. ft. or larger than 100,000 sq. ft. Availabilities are concentrated in high bay 10,000 sq. ft. multi-tenant or older multi-floor buildings. With the exception of High Tech/R&D facilities, all property types were in limited supply, particularly free-standing 2,500-3,000 sq. ft. flex space.

1991 FORECAST

The outlook for the industrial sector of Des Moines is fairly positive. Interest should continue to focus on High Tech/R&D facilities. These are expected to post a modest five percent rise in lease prices and maintain healthy levels of leasing. Other industrial facilities will see a decline in activity. Persistent weakening in the warehouse/distribution sector is a cause for concern. Although financing is tight, construction is projected to continue at its current pace to meet the market's demand for modern facilities.

Photo courtesy of Metropo[illegible] [illegible]tors Bureau

DETROIT, MICHIGAN: INDUSTRIAL

Detroit - Central City

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	170,000,000	-
Vacant	10,000,000	-
Vacancy Rates	5.9%	-
Under Construction	2,000,000	-
Net Absorption	1,000,000	-

Prime Source of Financing: Owner Financing

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	10.00-20.00	-
5,000 to 19,999 sf	10.00-20.00	-
20,000 to 39,999 sf	5.00-10.00	-
40,000 to 59,999 sf	5.00-10.00	-
60,000 to 99,999 sf	4.00-10.00	-
More than 99,999 sf	4.00-10.00	-
High Tech/R&D	-	-

Construction Costs	
Less than 5,000 sf	34.00
5,000 to 19,999 sf	34.00
20,000 to 39,999 sf	32.00
40,000 to 59,999 sf	30.00
60,000 to 99,999 sf	30.00
More than 99,999 sf	30.00
High Tech/R&D	-

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	3.50-4.00	-
5,000 to 19,999 sf	3.50-4.00	-
20,000 to 39,999 sf	3.50-4.00	-
40,000 to 59,999 sf	2.50-3.00	-
60,000 to 99,999 sf	2.50-3.00	-
More than 99,999 sf	2.00-3.00	-
High Tech/R&D	-	-

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Moderate Oversupply
High Tech/R&D	

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	3.00	-
2 to 5 acres	2.50	-
5 to 10 acres	1.50	-
More than 10 acres	1.50	-
Unimproved Sites		
Less than 10 acres	-	-
10 to 100 acres	-	-
More than 100 acres	-	-

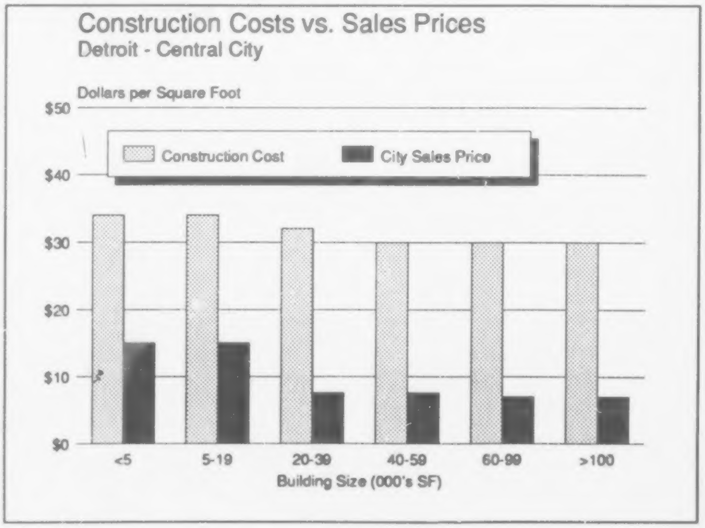
Composition of Absorption	
Warehouse/Distribution	2%
Manufacturing	98%
High Tech/R&D	0%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	n/a
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	n/a
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	n/a

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	n/a
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	n/a
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	n/a
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	n/a
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	4,459,902	5
Population Growth Rate	-0.06%	
Unemployment Rate	7.00%	
Median Household Income	$35,920	19
Cost of Living Index	n/a	n/a


Construction Costs vs. Sales Prices
Detroit - Central City

1990 REVIEW

All industrial market indicators for the city of central Detroit remained relatively unchanged in 1990. SIOR's reporter continued to characterize the market as oversupplied, the comparatively low vacancy rate notwithstanding. Absorption, which has been steady over the past three years, reached one million sq. ft. The majority of demand occurred in the manufacturing sector which is heavily weighted toward the automobile industry.

1991 FORECAST

Although Detroit's economy is becoming a bit more diversified, its fortunes still follow the volatile automobile industry. The Middle East conflict and domestic recession are compounding the auto industry's problems, holding down consumer demand for new cars. 1991 is expected to be another disappointing year. Little speculative development is expected in Detroit, where construction costs far exceed sales prices.

DETROIT, MICHIGAN: INDUSTRIAL

Suburban - Auburn Hills/Rochester Hills; Troy/Madison Heights; Plymouth/Canton, Taylor, and Novi/Farmington Hills

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	-	n/a
Vacant	-	n/a
Vacancy Rates	-	n/a
Under Construction	-	3,750,000
Net Absorption	-	n/a

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	55.00
5,000 to 19,999 sf	-	47.00
20,000 to 39,999 sf	-	44.00
40,000 to 59,999 sf	-	40.00
60,000 to 99,999 sf	-	37.50
More than 99,999 sf	-	30.00
High Tech/R&D	-	65.00

Construction Costs	
Less than 5,000 sf	55.00
5,000 to 19,999 sf	50.00
20,000 to 39,999 sf	45.00
40,000 to 59,999 sf	40.00
60,000 to 99,999 sf	38.00
More than 99,999 sf	30.00
High Tech/R&D	65.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	-	5.25
5,000 to 19,999 sf	-	4.50
20,000 to 39,999 sf	-	4.35
40,000 to 59,999 sf	-	4.25
60,000 to 99,999 sf	-	4.00
More than 99,999 sf	-	3.50
High Tech/R&D	-	7.50

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Moderate Shortage
High Tech/R&D	Moderate Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	3.25
2 to 5 acres	-	3.00
5 to 10 acres	-	2.80
More than 10 acres	-	2.25
Unimproved Sites		
Less than 10 acres	-	1.20
10 to 100 acres	-	0.90
More than 100 acres	-	0.60

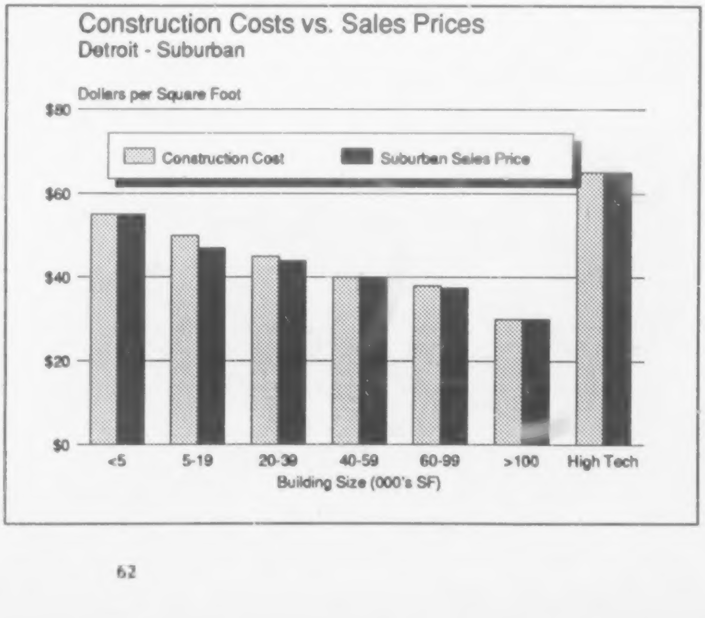
Composition of Absorption	
Warehouse/Distribution	40%
Manufacturing	40%
High Tech/R&D	20%
Rate of Construction	
Warehouse/Distribution	Down 10%
Manufacturing	Down 15%
High Tech/R&D	Down 15%
Dollar Volume - Sales	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Down 5%
Dollar Volume - Leases	
Warehouse/Distribution	Down 10%
Manufacturing	Down 5%
High Tech/R&D	Down 10%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Down 5%
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Down 5%
Absorption	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Down 5%
Construction	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 15%
Dollar Volume - Sales	Down 5%
Dollar Volume - Leases	Down 5%

DEMOGRAPHICS

		Rank
Population	4,459,902	5
Population Growth Rate	-0.06%	
Unemployment Rate	7.00%	
Median Household Income	$35,920	19
Cost of Living Index	n/a	n/a



1990 REVIEW

Manufacturing is no longer the MSA's number one employer, but the city's economy is still largely tied to the automobile industry. The suburban market offers a superior inventory and commands significantly higher lease, sales, and land prices than the central city. Demand slowed noticeably in 1990. Interest in specialized buildings and larger facilities, however, remains steady. Foreign investors including the Japanese and Europeans were active in the market.

1991 FORECAST

Detroit's suburban market is currently facing a shortage of larger facilities and an oversupply of high-tech and smaller facilities. The market will tighten causing prices to firm and possibly to rise. Activity should, once again, be sustained by manufacturing and distribution related industries.

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* Ranked by 1989 gross sales.

El Paso, Texas: Industrial

El Paso, Texas

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	31,548,021	-
Vacant	1,760,120	-
Vacancy Rates	5.6%	-
Under Construction	1,146,950	-
Net Absorption	2,181,113	-

Prime Source of Financing: Insurance Companies

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	27.00	-
5,000 to 19,999 sf	25.00	-
20,000 to 39,999 sf	25.00	-
40,000 to 59,999 sf	23.00	-
60,000 to 99,999 sf	20.00	-
More than 99,999 sf	20.00	-
High Tech/R&D	32.00	-

Construction Costs	
Less than 5,000 sf	24.00
5,000 to 19,999 sf	21.00
20,000 to 39,999 sf	18.50
40,000 to 59,999 sf	17.00
60,000 to 99,999 sf	17.00
More than 99,999 sf	15.00
High Tech/R&D	32.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	4.00	-
5,000 to 19,999 sf	3.30	-
20,000 to 39,999 sf	3.00	-
40,000 to 59,999 sf	2.80	-
60,000 to 99,999 sf	2.80	-
More than 99,999 sf	2.75	-
High Tech/R&D	3.50	-

Vacancy Indicators	
Less than 5,000 sf	Substantial Shortage
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Moderate Oversupply
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	3.00	-
2 to 5 acres	2.75	-
5 to 10 acres	1.75	-
More than 10 acres	1.35	-
Unimproved Sites		
Less than 10 acres	0.75	-
10 to 100 acres	0.50	-
More than 100 acres	0.20	-

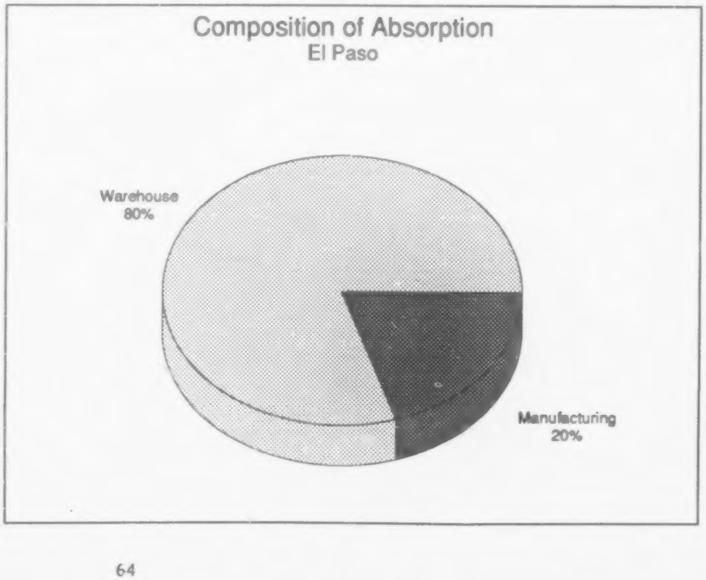
Composition of Absorption	
Warehouse/Distribution	80%
Manufacturing	20%
High Tech/R&D	0%
Rate of Construction	
Warehouse/Distribution	Down 15%
Manufacturing	Down 15%
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Up 5%
Manufacturing	Up 5%
High Tech/R&D	Same

OUTLOOK

Sales Prices	
Warehouse/Distribution	Up 5%
Manufacturing	Up 5%
High Tech/R&D	n/a
Lease Prices	
Warehouse/Distribution	Up 5%
Manufacturing	Up 5%
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	n/a
Dollar Volume - Sales	Up 15%
Dollar Volume - Leases	Up 15%

DEMOGRAPHICS

		Rank
Population	548,895	76
Population Growth Rate	1.35%	
Unemployment Rate	10.90%	
Median Household Income	$21,048	109
Cost of Living Index	96.0	59



1990 REVIEW

The vacancy rate in this border-town industrial market dropped one percentage point to 5.6 percent as of year-end 1990. An absorption rate of 2.2 million sq. ft. outpaced new construction which was estimated at 1.1 million sq. ft. Demand for industrial space has been linked to the Maquila industry and its related supply and support functions. Transactions have occurred primarily in buildings under 40,000 sq. ft. causing a shortage of this property type. An oversupply of facilities larger than 100,000 sq. ft. was the only shadow over this market by the close of 1990.

1991 FORECAST

El Paso's role as the distribution center for goods produced by the Maquila industry in its sister city Juarez, Mexico may be enhanced by the impending free trade agreement between the U.S. and Mexico. SIOR's reporter suggests that El Paso could become a more potent manufacturing economy if the agreement is ratified. The industrial market is braced for another year of steady activity and is anticipating a tightening supply of facilities due to the credit-crunch-induced slowdown in construction.

FORT SMITH, ARKANSAS: INDUSTRIAL

Fort Smith, Arkansas

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	n/a	n/a
Vacant	450,000	250,000
Vacancy Rates	n/a	n/a
Under Construction	75,000	25,000
Net Absorption	100,000	50,000

Prime Source of Financing: Insurance Companies, Commercial Banks, Pension Funds, Owner Financing

Mortgage Money Supply: Ample

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	20.00	22.00
5,000 to 19,999 sf	17.50	20.00
20,000 to 39,999 sf	15.00	17.50
40,000 to 59,999 sf	13.75	15.00
60,000 to 99,999 sf	13.75	15.00
More than 99,999 sf	12.50	15.00
High Tech/R&D	-	-

Construction Costs	
Less than 5,000 sf	15.00
5,000 to 19,999 sf	12.50
20,000 to 39,999 sf	11.50
40,000 to 59,999 sf	11.00
60,000 to 99,999 sf	10.50
More than 99,999 sf	10.00
High Tech/R&D	-

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	2.00	2.50
5,000 to 19,999 sf	1.75	2.25
20,000 to 39,999 sf	1.75	2.25
40,000 to 59,999 sf	1.50	2.00
60,000 to 99,999 sf	1.50	2.00
More than 99,999 sf	1.25	1.75
High Tech/R&D	-	-

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Balanced Market
High Tech/R&D	

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	1.50	1.50
2 to 5 acres	1.25	1.25
5 to 10 acres	1.15	1.15
More than 10 acres	1.00	1.00
Unimproved Sites		
Less than 10 acres	0.75	0.75
10 to 100 acres	0.60	0.60
More than 100 acres	0.50	0.50

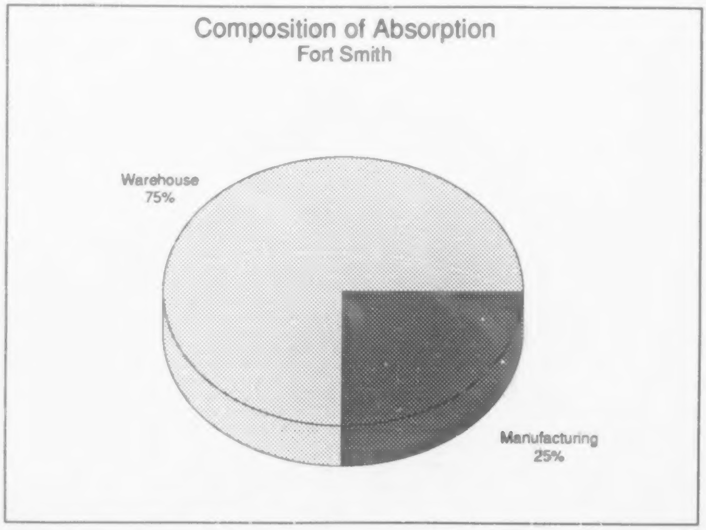
Composition of Absorption	
Warehouse/Distribution	75%
Manufacturing	25%
High Tech/R&D	0%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	n/a
Dollar Volume - Sales	
Warehouse/Distribution	Down 25%
Manufacturing	Down 25%
High Tech/R&D	n/a
Dollar Volume - Leases	
Warehouse/Distribution	Down 25%
Manufacturing	Down 25%
High Tech/R&D	n/a

OUTLOOK

Sales Prices	
Warehouse/Distribution	Up 5-10%
Manufacturing	Up 5-10%
High Tech/R&D	n/a
Lease Prices	
Warehouse/Distribution	Up 1-5%
Manufacturing	Up 1-5%
High Tech/R&D	n/a
Site Prices	Up 1-5%
Absorption	
Warehouse/Distribution	Up 5-10%
Manufacturing	Up 5-10%
High Tech/R&D	n/a
Construction	
Warehouse/Distribution	Up 5-10%
Manufacturing	Up 5-10%
High Tech/R&D	n/a
Dollar Volume - Sales	Up 5-10%
Dollar Volume - Leases	Up 5-10%

DEMOGRAPHICS

		Rank
Population	180,550	107
Population Growth Rate	1.04%	
Unemployment Rate	6.40%	
Median Household Income	$21,191	108
Cost of Living Index	90.4	74



1990 REVIEW

The local economy slowed as Whirlpool began the layoffs of 1,000 employees in preparation for closing. Demand for industrial space declined as Fort Smith's market suffered a 25 percent drop in sales and leasing volume and net absorption of one-third the 1989 level. Interest in relocating to Fort Smith continued but did not generate speculative new construction as new users either erected their own facility or leased a built-to-suit development.

1991 FORECAST

The economic outlook for Fort Smith is one of very slow growth with minimal gains in employment and population. Overall, the outlook for the area's industrial market is for moderate expansion, perhaps five to 10 percent. Current vacancy indicators and demand levels suggest that new construction may soon be warranted. A major obstacle to development may be removed upon the completion of the new water supply lake within the next twelve months.

FORT WAYNE, INDIANA: INDUSTRIAL

Fort Wayne, Allen County, Indiana

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	-	30,000,000
Vacant	-	4,250,000
Vacancy Rates	-	14.2%
Under Construction	-	300,000
Net Absorption	-	1,175,000

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	17.00-30.00
5,000 to 19,999 sf	-	17.00-22.00
20,000 to 39,999 sf	-	15.00-20.00
40,000 to 59,999 sf	-	15.00-20.00
60,000 to 99,999 sf	-	12.00-18.00
More than 99,999 sf	-	12.00-14.00
High Tech/R&D	-	25.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	-	4.00-5.00
5,000 to 19,999 sf	-	3.00-4.00
20,000 to 39,999 sf	-	2.25-3.75
40,000 to 59,999 sf	-	2.00-3.00
60,000 to 99,999 sf	-	1.50-2.25
More than 99,999 sf	-	1.35-2.00
High Tech/R&D	-	5.00-7.00

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	0.75-1.00
2 to 5 acres	-	0.60-0.75
5 to 10 acres	-	0.50-0.75
More than 10 acres	-	0.40-0.65
Unimproved Sites		
Less than 10 acres	-	n/a
10 to 100 acres	-	n/a
More than 100 acres	-	n/a

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down
Manufacturing	Down
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Down
Manufacturing	Down
High Tech/R&D	Down
Construction	
Warehouse/Distribution	Down
Manufacturing	Down
High Tech/R&D	Down
Dollar Volume - Sales	Down
Dollar Volume - Leases	Down

DEMOGRAPHICS

		Rank
Population	382,592	95
Population Growth Rate	0.78%	
Unemployment Rate	5.20%	
Median Household Income	$30,978	50
Cost of Living Index	92.7	71

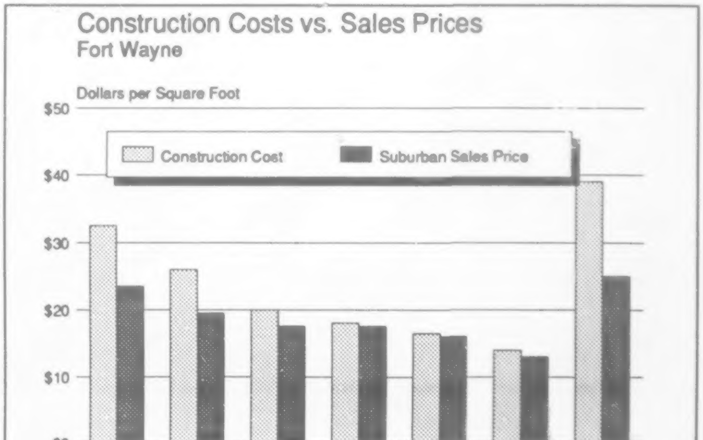
Prime Source of Financing: Insurance Companies, Commercial Banks, Owner Financing

Mortgage Money Supply: Tight

Construction Costs	
Less than 5,000 sf	30.00-35.00
5,000 to 19,999 sf	22.00-30.00
20,000 to 39,999 sf	18.00-22.00
40,000 to 59,999 sf	16.00-20.00
60,000 to 99,999 sf	15.00-18.00
More than 99,999 sf	12.00-16.00
High Tech/R&D	33.00-45.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Shortage
5,000 to 19,999 sf	Balanced Market
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Moderate Oversupply
High Tech/R&D	Balanced Market

Composition of Absorption	
Warehouse/Distribution	70%
Manufacturing	25%
High Tech/R&D	5%
Rate of Construction	
Warehouse/Distribution	Down 15%
Manufacturing	Down 15%
High Tech/R&D	Down
Dollar Volume - Sales	
Warehouse/Distribution	Down
Manufacturing	Down
High Tech/R&D	Down
Dollar Volume - Leases	
Warehouse/Distribution	Down
Manufacturing	Down
High Tech/R&D	Down



1990 REVIEW

Net absorption for the year dropped off slightly from 1989 but remained strong at 1,175,000 sq. ft. allowing the vacancy rate to decline two percentage points. High construction costs and stagnant prices continue to restrain speculative development. SIOR's local respondent reported shifts in the vacancy profile; only small spaces of less than 5,000 sq. ft. are considered undersupplied. Larger spaces of 40,000 to 100,000 sq. ft. or greater are noted as oversupplied with other categories in balance.

1991 FORECAST

Troubles in the auto industry will hurt Fort Wayne, as GM and Uniroyal-Goodrich are major employers. Defense contracting is also being reduced locally. The area's inadequate transportation network will continue to be a problem, and this contributed to Lincoln National Corporation's decision to defer expansion. Industrial market indicators are expected to remain constant or decline in 1991. Price competition and slack demand will prevent sales and lease price increases.

Fort Worth, Texas: Industrial

Fort Worth, Texas

Market Data

Inventory (sf)	Central City	Suburban
Total	-	5,000,000
Vacant	-	300,000
Vacancy Rates	-	6.0%
Under Construction	-	0
Net Absorption	-	n/a

Prime Source of Financing: Owner Financing

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	20.00
5,000 to 19,999 sf	-	18.00
20,000 to 39,999 sf	-	16.00
40,000 to 59,999 sf	-	16.00
60,000 to 99,999 sf	-	15.00
More than 99,999 sf	-	14.00
High Tech/R&D	-	23.00

Construction Costs	
Less than 5,000 sf	22.00
5,000 to 19,999 sf	20.00
20,000 to 39,999 sf	20.00
40,000 to 59,999	18.00
60,000 to 99,999 sf	17.00
More than 99,999 sf	15.00
High Tech/R&D	26.00

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	-	2.50
5,000 to 19,999 sf	-	2.30
20,000 to 39,999 sf	-	2.25
40,000 to 59,999 sf	-	2.25
60,000 to 99,999 sf	-	2.15
More than 99,999 sf	-	2.00
High Tech/R&D	-	3.50

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Balanced Market
High Tech/R&D	Moderate Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	2.50
2 to 5 acres	-	2.00
5 to 10 acres	-	1.75
More than 10 acres	-	1.00
Unimproved Sites		
Less than 10 acres	-	1.00
10 to 100 acres	-	0.75
More than 100 acres	-	0.50

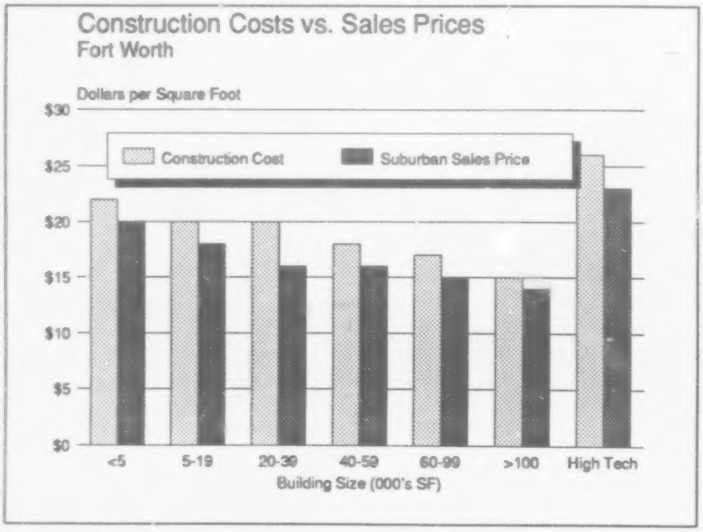
Composition of Absorption	
Warehouse/Distribution	60%
Manufacturing	30%
High Tech/R&D	10%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Up 15-20%
Manufacturing	Up 15-20%
High Tech/R&D	Up 10-15%
Dollar Volume - Leases	
Warehouse/Distribution	Up 15-20%
Manufacturing	Up 15-20%
High Tech/R&D	Up 10-15%

Outlook

Sales Prices	
Warehouse/Distribution	Up 15%
Manufacturing	Up 20%
High Tech/R&D	Up 5%
Lease Prices	
Warehouse/Distribution	Up 10%
Manufacturing	Up 10%
High Tech/R&D	Up 10%
Site Prices	Same
Absorption	
Warehouse/Distribution	Up 20%
Manufacturing	Up 20%
High Tech/R&D	Up 10%
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Up 25%
Dollar Volume - Leases	Up 30%

Demographics

		Rank
Population	1,425,557	32
Population Growth Rate	3.89%	
Unemployment Rate	5.20%	
Median Household Income	$31,828	42
Cost of Living Index	95.1	63



1990 Review

Occupancy levels increased to 94 percent of total inventory in a year of no construction and modest demand. Vacant space was absorbed slowly throughout the year with modern bulk warehouses virtually 100 percent occupied. The majority of available facilities are older, single-occupant buildings smaller than 40,000 sq. ft. which are increasingly hard to market. Due to a low level of demand for R&D facilities, this segment of the market must be described as oversupplied.

1991 Forecast

The cancellation of the Navy's $57 billion A-12 attack aircraft caused General Dynamics to cut its staff by 3,300. An estimated 10,000 jobs will be lost at a cost of $500 million to the city. Defense cutbacks may be outweighed in the future by the introduction of Japanese companies locating large scale manufacturing operations in the city. Also, American Airlines will be opening a new maintenance plant at the airport by 1992.

FRESNO, CALIFORNIA: INDUSTRIAL

Fresno, California

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	32,079,753	n/a
Vacant	1,815,068	n/a
Vacancy Rates	5.7%	n/a
Under Construction	300,000	n/a
Net Absorption	400,000	n/a

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	35.00-40.00	30.00-35.00
5,000 to 19,999 sf	30.00-35.00	25.00-30.00
20,000 to 39,999 sf	26.00-30.00	21.00-25.00
40,000 to 59,999 sf	24.00-25.00	19.00-20.00
60,000 to 99,999 sf	22.00-24.00	17.00-19.00
More than 99,999 sf	20.00-23.00	15.00-18.00
High Tech/R&D	45.00-50.00	40.00-45.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	4.80-5.40	4.20-4.80
5,000 to 19,999 sf	3.60-4.80	3.00-4.20
20,000 to 39,999 sf	3.00-3.60	2.40-3.00
40,000 to 59,999 sf	2.76-3.36	2.16-2.76
60,000 to 99,999 sf	2.40-2.88	1.80-2.28
More than 99,999 sf	2.16-2.52	1.56-1.92
High Tech/R&D	4.80-5.40	4.20-4.80

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	2.50	1.00
2 to 5 acres	2.00	0.75
5 to 10 acres	1.50	0.50
More than 10 acres	1.25	0.40
Unimproved Sites		
Less than 10 acres	1.75	0.50
10 to 100 acres	1.25	0.35
More than 100 acres	0.75	0.25

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Tight

Construction Costs	
Less than 5,000 sf	25.00
5,000 to 19,999 sf	20.00
20,000 to 39,999 sf	18.00
40,000 to 59,999 sf	15.00
60,000 to 99,999 sf	12.00
More than 99,999 sf	10.00
High Tech/R&D	30.00

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Substantial Shortage
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Substantial Shortage
High Tech/R&D	Balanced Market

Composition of Absorption	
Warehouse/Distribution	75%
Manufacturing	20%
High Tech/R&D	5%
Rate of Construction	
Warehouse/Distribution	Down 10%
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Down 10%
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Up 10%
Manufacturing	Same
High Tech/R&D	Same

OUTLOOK

Sales Prices	
Warehouse/Distribution	Up 10%
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Up 15%
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Up 10%
Absorption	
Warehouse/Distribution	Down 15%
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Down 20%
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Same
Dollar Volume - Leases	Down 15%

DEMOGRAPHICS

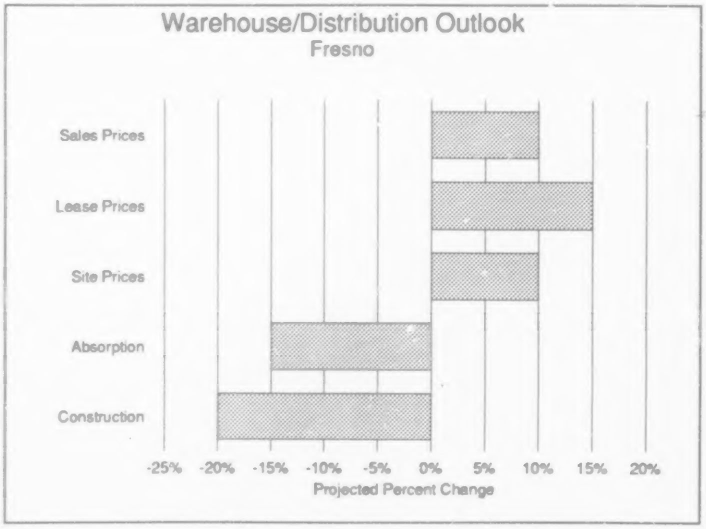
		Rank
Population	633,024	68
Population Growth Rate	2.09%	
Unemployment Rate	8.20%	
Median Household Income	$26,200	93
Cost of Living Index	113.2	10

1990 REVIEW

Fresno's central California location has established an important distribution center. Warehousing represents a dominant 75 percent of total absorption. Demand for industrial space exceeded new supply in 1990 resulting in a mere 5.7 percent vacancy. Sales prices continued to trend upward, increasing by four to 10 dollars per sq. ft. compared to 1989. The low cost of Fresno relative to surrounding regions helped to spur its success. New construction declined more as a function of financing difficulties than the dynamics of supply and demand.

1991 FORECAST

Demand for warehouse/distribution space should continue to be strong. A tighter market and increased sales and lease prices is anticipated. Speculative new construction will drop off with the lack of available financing; new development will be limited to owner/user and build-to-suit projects. Land prices in the area should remain stable as sites are rezoned to industrial use and additional land is placed on the market. The local SIOR reporter expects investor interest in new construction to increase in the latter part of 1991.



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With a staff of nearly 60 people, Pearson Realty has emerged through the years as the only locally owned real estate firm of its type, specializing in the industrial, commercial and farm areas of the San Joaquin Valley's real estate industry. Pearson Realty has two major departments:

Industrial-Commercial Department

Made up of six areas of specialization:

- *Industrial*
- *Apartment and Investment Property*
- *Appraisal for Industrial and Commercial Property*
- *Land*
- *Office*
- *Retail*

Staff of more than 25 people, dedicated to meeting clients' needs in:

- *Industrial parks*
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- *Leasing space and buildings large or small*
- *Land development*
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The Industrial-Commercial Department has five staff members specializing in industrial sales and leasing.

Farm Department

- *More Accredited Land Consultant (ALC) members than any other farm office in the nation.*
- *Largest farm office in the state, with more than 20 agents working full time in farm and ranch sales throughout California.*
- *Leader in understanding the dynamics of farm economics and marketing.*
- *Farm Appraisal Division specialists evaluate and establish fair market values for raw and developed farmland.*

Pearson Realty is unique. A rare blend of tradition and the modern resources needed to meet today's challenging market needs...always mindful of its time-honored slogan..."*A Tradition in Trust Since 1919.*"

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GARY-HAMMOND-EAST CHICAGO, INDIANA: INDUSTRIAL

Gary-Hammond-East Chicago PMSA which includes Lake, Porter and LaPorte Counties

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	30,000,000	11,000,000
Vacant	7,000,000	2,000,000
Vacancy Rates	23.3%	18.2%
Under Construction	1,000,000	1,000,000
Net Absorption	2,000,000	1,000,000

Prime Source of Financing: Insurance Companies

Mortgage Money Supply: Moderate

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	20.00-25.00	30.00-35.00
5,000 to 19,999 sf	15.00-20.00	25.00-35.00
20,000 to 39,999 sf	10.00-15.00	20.00-25.00
40,000 to 59,999 sf	8.00-10.00	15.00-20.00
60,000 to 99,999 sf	8.00-10.00	15.00-20.00
More than 99,999 sf	6.00-10.00	10.00-15.00
High Tech/R&D	n/a	n/a

Construction Costs	
Less than 5,000 sf	37.00
5,000 to 19,999 sf	32.00-37.00
20,000 to 39,999 sf	32.00-37.00
40,000 to 59,999 sf	27.00-32.00
60,000 to 99,999 sf	27.00-32.00
More than 99,999 sf	27.00-32.00
High Tech/R&D	n/a

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	2.50-2.75	3.50-3.75
5,000 to 19,999 sf	2.25-2.75	3.00-3.75
20,000 to 39,999 sf	2.25-2.50	2.75-3.00
40,000 to 59,999 sf	2.25-2.50	2.75-3.00
60,000 to 99,999 sf	2.25-2.50	2.50-2.75
More than 99,999 sf	2.25-2.50	2.00-2.25
High Tech/R&D	n/a	n/a

Vacancy Indicators	
Less than 5,000 sf	Moderate Shortage
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Moderate Shortage
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Moderate Oversupply
High Tech/R&D	

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	0.50-0.70	0.80-1.50
2 to 5 acres	0.40-0.60	0.80-1.50
5 to 10 acres	0.40-0.60	0.80-1.50
More than 10 acres	0.40-0.60	0.80-1.25
Unimproved Sites		
Less than 10 acres	0.35-0.50	0.40-0.60
10 to 100 acres	0.25-0.40	0.40-0.60
More than 100 acres	0.25-0.40	0.30-0.50

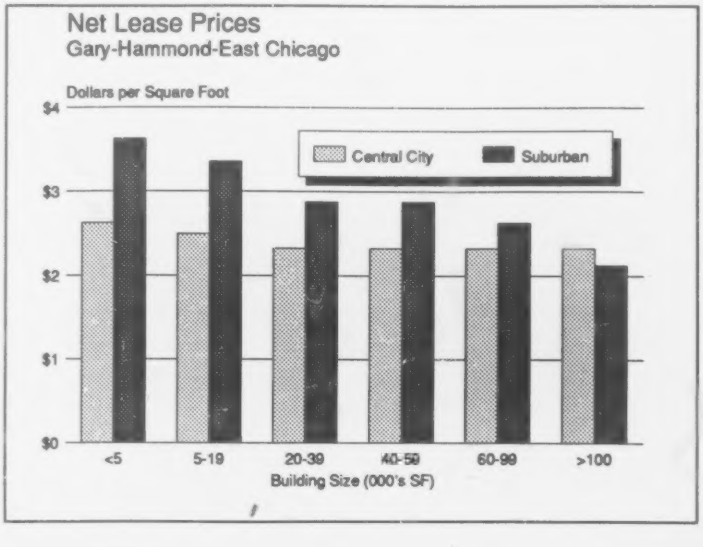
Composition of Absorption	
Warehouse/Distribution	30%
Manufacturing	70%
High Tech/R&D	0%
Rate of Construction	
Warehouse/Distribution	Up 5%
Manufacturing	Up 7%
High Tech/R&D	n/a
Dollar Volume - Sales	
Warehouse/Distribution	Up 5%
Manufacturing	Up 5%
High Tech/R&D	n/a
Dollar Volume - Leases	
Warehouse/Distribution	Up 5%
Manufacturing	Up 10%
High Tech/R&D	n/a

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Up 2-5%
Absorption	
Warehouse/Distribution	Up 1-5%
Manufacturing	Up 1-10%
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Up 5%
High Tech/R&D	Same
Dollar Volume - Sales	Up 5-10%
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	609,183	72
Population Growth Rate	-0.54%	
Unemployment Rate	5.40%	
Median Household Income	$30,306	59
Cost of Living Index	n/a	n/a



1990 REVIEW

Approximately seventy percent of the three million sq. ft. absorbed in 1990 was attributed to manufacturing facilities. In Gary, this means steel. The strongest demand came from companies that buy steel or provide mill-related services. A high vacancy rate persisted, testimony to the deep-seated troubles of the older production facilities. The conversion of large mill-type facilities to multi-tenant buildings has emerged as a trend in the market. All of the one million sq. ft. under construction at year-end in the central city market were conversion projects.

1991 FORECAST

This market possesses 41 million sq. ft., including owner occupied structures other than steel mills. The inventory of manufacturing and warehouse/distribution facilities will expand upon the completion of several projects. Most market indicators will stay steady with some exhibiting modest improvement. The one-dimensional local economy will make the projected rebound of this market a long-range proposition.

GRAND RAPIDS, MICHIGAN: INDUSTRIAL

Grand Rapids Metropolitan area and SMSA includes Kent and Ottawa Counties.

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	60,000,000*	-
Vacant	1,400,000*	-
Vacancy Rates	2.3%	-
Under Construction	0	2,000,000
Net Absorption	1,400,000	-

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	30.00-40.00	30.00-40.00
5,000 to 19,999 sf	30.00-35.00	30.00-35.00
20,000 to 39,999 sf	25.00-30.00	25.00-30.00
40,000 to 59,999 sf	22.00-29.00	22.00-29.00
60,000 to 99,999 sf	20.00-27.00	20.00-27.00
More than 99,999 sf	17.00-20.00	17.00-20.00
High Tech/R&D	35.00-60.00	n/a

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	4.25-5.50	4.25-5.50
5,000 to 19,999 sf	3.25-4.75	3.25-4.75
20,000 to 39,999 sf	2.50-3.50	2.50-3.50
40,000 to 59,999 sf	2.50-3.25	2.50-3.25
60,000 to 99,999 sf	2.25-3.00	2.25-3.00
More than 99,999 sf	2.20-2.50	2.20-2.50
High Tech/R&D	n/a	n/a

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	1.00-2.00	1.40-2.00
2 to 5 acres	1.00-2.00	1.40-1.70
5 to 10 acres	n/a	1.15-1.50
More than 10 acres	n/a	0.90-1.00
Unimproved Sites		
Less than 10 acres	n/a	0.35-0.60
10 to 100 acres	n/a	0.25-0.45
More than 100 acres	n/a	0.20-0.25

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Ample

Construction Costs	
Less than 5,000 sf	32.00-40.00
5,000 to 19,999 sf	26.00-31.00
20,000 to 39,999 sf	24.00-29.00
40,000 to 59,999 sf	22.00-25.00
60,000 to 99,999 sf	19.00-23.00
More than 99,999 sf	18.00-20.00
High Tech/R&D	35.00-60.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Balanced Market
High Tech/R&D	Moderate Oversupply

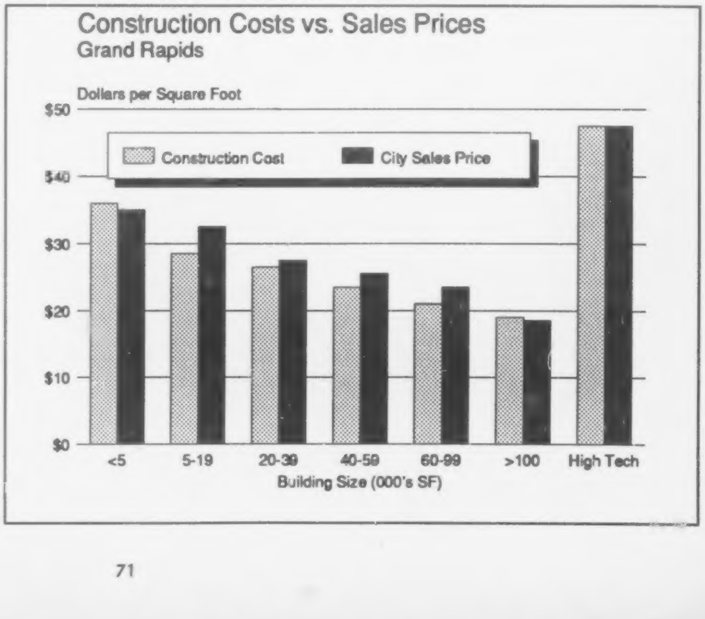
Composition of Absorption	
Warehouse/Distribution	45%
Manufacturing	50%
High Tech/R&D	5%
Rate of Construction	
Warehouse/Distribution	Down 15-25%
Manufacturing	Down 15-25%
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Down 20-25%
Manufacturing	Down 20-25%
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Down 15-20%
Manufacturing	Down 15-20%
High Tech/R&D	Same

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Down 10-20%
Manufacturing	Down 10-20%
High Tech/R&D	Same
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	597,263	74
Population Growth Rate	-0.07%	
Unemployment Rate	5.60%	
Median Household Income	$31,575	45
Cost of Living Index	n/a	n/a



1990 REVIEW

Grand Rapids recorded another excellent year in 1990, but the early signs of a slowdown appeared as SIOR's final tallies were compiled. Although the vacancy rate was a slight 2.3 percent, the rate of construction and transaction volume in the distribution and manufacturing sectors declined 15 to 25 percent. The tight market did, however, allow central city sales price gains of 20 to 29 percent in all categories except the oversupplied High Tech/R&D sector.

1991 FORECAST

Grand Rapids' diversified manufacturing base will continue to make it less susceptible to wide economic swings than other Michigan MSAs which are substantially reliant on the auto industry. However, consolidation and restructuring occurring at several major employers will cause employment growth to slow. 1991 looks to be a year of caution. Construction starts are expected to be down 10 to 20 percent. New construction will primarily be driven by expansion requirements. *(Note: Inventory figures include both Central City and Suburban space.)

GREENSBORO, NORTH CAROLINA: INDUSTRIAL

Greensboro, North Carolina

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	-	59,000,000
Vacant	-	3,000,000
Vacancy Rates	-	5.1%
Under Construction	-	250,000
Net Absorption	-	1,500,000

Prime Source of Financing: Pension Funds, Owner Financing

Mortgage Money Supply: Moderate

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	28.00
5,000 to 19,999 sf	-	25.00
20,000 to 39,999 sf	-	22.00
40,000 to 59,999 sf	-	21.00
60,000 to 99,999 sf	-	19.00
More than 99,999 sf	-	17.00
High Tech/R&D	-	40.00

Construction Costs	
Less than 5,000 sf	26.00
5,000 to 19,999 sf	23.00
20,000 to 39,999 sf	21.00
40,000 to 59,999 sf	20.00
60,000 to 99,999 sf	19.00
More than 99,999 sf	18.00
High Tech/R&D	35.00

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	-	4.00
5,000 to 19,999 sf	-	3.50
20,000 to 39,999 sf	-	3.25
40,000 to 59,999 sf	-	2.90
60,000 to 99,999 sf	-	2.75
More than 99,999 sf	-	2.50
High Tech/R&D	-	5.50

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Balanced Market
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Balanced Market
High Tech/R&D	Moderate Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	2.00	1.40
2 to 5 acres	-	1.30
5 to 10 acres	-	1.15
More than 10 acres	-	1.00
Unimproved Sites		
Less than 10 acres	-	0.80
10 to 100 acres	-	0.70
More than 100 acres	-	n/a

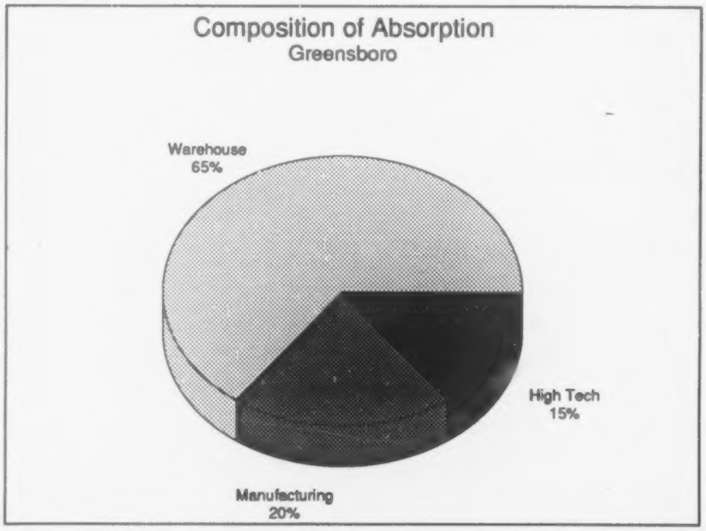
Composition of Absorption	
Warehouse/Distribution	65%
Manufacturing	20%
High Tech/R&D	15%
Rate of Construction	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Down 10%
Dollar Volume - Sales	
Warehouse/Distribution	Down 5%
Manufacturing	Same
High Tech/R&D	Down 5%
Dollar Volume - Leases	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Same

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down 3%
Manufacturing	Down 5%
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Down 5%
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Down 5%
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Down 3%
Manufacturing	Down 5%
High Tech/R&D	Down 5%
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	973,047	51
Population Growth Rate	1.34%	
Unemployment Rate	3.00%	
Median Household Income	$30,287	60
Cost of Living Index	98.8	46



1990 REVIEW

Though manufacturing continues to be a vital part of Greensboro's economy, facilities demand was reduced for the second year in a row. By contrast, distribution services expanded, accounting for 65 percent of all absorption. The vacancy rate was held low as 1.5 million sq. ft. of space was taken by users. Supply conditions lean toward shortages.

1991 FORECAST

Greensboro's industrial market will see continued growth among warehouse/distribution companies. Manufacturing should slow further, reducing the demand for related facilities. This reflects a reduction in consumer demand for Greensboro's products — tobacco, textiles, apparel, and furniture. Speculative development, which would answer the needs of many space users, is possible due to the moderate availablity of financing.

GREENVILLE, SOUTH CAROLINA: INDUSTRIAL

Greenville/Spartanburg, South Carolina

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	-	n/a
Vacant	-	2,600,000
Vacancy Rates	-	n/a
Under Construction	-	48,000
Net Absorption	-	n/a

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	27.00
5,000 to 19,999 sf	-	26.00
20,000 to 39,999 sf	-	22.00
40,000 to 59,999 sf	-	21.00
60,000 to 99,999 sf	-	19.00
More than 99,999 sf	-	18.00
High Tech/R&D	-	33.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	-	4.00
5,000 to 19,999 sf	-	3.00
20,000 to 39,999 sf	-	2.90
40,000 to 59,999 sf	-	2.80
60,000 to 99,999 sf	-	2.80
More than 99,999 sf	-	2.65
High Tech/R&D	-	5.50

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	1.00-1.50
2 to 5 acres	-	0.95-1.40
5 to 10 acres	-	0.80-1.30
More than 10 acres	-	0.75-1.25
Unimproved Sites		
Less than 10 acres	-	0.50
10 to 100 acres	-	0.45
More than 100 acres	-	0.40

Prime Source of Financing: Insurance Companies, Commercial Banks

Mortgage Money Supply: Tight

Construction Costs	
Less than 5,000 sf	25.00
5,000 to 19,999 sf	21.00
20,000 to 39,999 sf	19.50
40,000 to 59,999 sf	18.25
60,000 to 99,999 sf	17.00
More than 99,999 sf	16.75
High Tech/R&D	37.00

Vacancy Indicators	
Less than 5,000 sf	Substantial Shortage
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Substantial Oversupply
More than 99,999 sf	Moderate Oversupply
High Tech/R&D	Balanced Market

Composition of Absorption	
Warehouse/Distribution	82%
Manufacturing	15%
High Tech/R&D	3%
Rate of Construction	
Warehouse/Distribution	Down 15%
Manufacturing	Down 10%
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Down 20%
Manufacturing	Down 10%
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Down 20%
Manufacturing	Down 5%
High Tech/R&D	Down 5%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down 12%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Lease Prices	
Warehouse/Distribution	Down 15%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Site Prices	Down 15%
Absorption	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Down 20%
Manufacturing	Down 10%
High Tech/R&D	Same
Dollar Volume - Sales	Down 20%
Dollar Volume - Leases	Down 15%

DEMOGRAPHICS

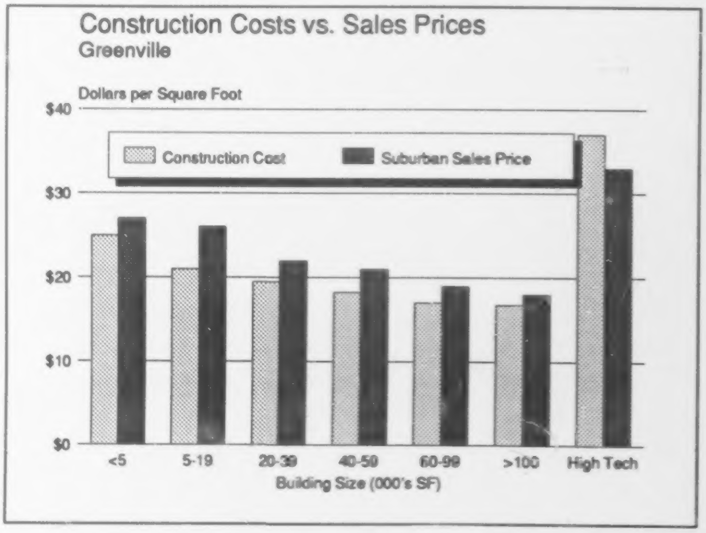
		Rank
Population	625,381	69
Population Growth Rate	0.95%	
Unemployment Rate	4.20%	
Median Household Income	$28,253	80
Cost of Living Index	95.8	61

1990 REVIEW

Distribution and light assembly facilities dominate Greenville's industrial property market. The area continues to attract manufacturers from the midwest and northeast with BIC a recent relocation to the area. The entry of Fluor Corporation and CRS Sirrine boosted the High Tech/R&D sector in 1990. Sales and rental growth have been held back by oversupply of industrial spaces in all categories above 20,000 sq. ft. Transaction volume was down for the year.

1991 FORECAST

Employment growth is expected to be slower in 1991. The economy's strong fundamentals such as low-cost labor, abundant land, low construction costs, and high quality of life will continue to encourage relocations. The trend for major companies has been to leave headquarter operations in a large city and move manufacturing, warehousing, and distribution functions to Greenville. SIOR's local reporter notes that corporate relocations are attracting new residents. Sales and lease prices will be held down again due to excess supply. With no speculative new construction planned, prices should begin to recover by the end of 1991.


Construction Costs vs. Sales Prices
Greenville

HARTFORD, CONNECTICUT: INDUSTRIAL

Greater Hartford, Connecticut

MARKET DATA

inventory (sf)	Central City	Suburban
Total	4,017,745	54,454,757
Vacant	554,417	5,998,277
Vacancy Rates	13.8%	11.0%
Under Construction	0	136,080
Net Absorption	30,599	824,394

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	70.00	70.00
5,000 to 19,999 sf	48.00	50.00
20,000 to 39,999 sf	43.00	43.00
40,000 to 59,999 sf	33.00	35.00
60,000 to 99,999 sf	28.00	30.00
More than 99,999 sf	25.00	28.00
High Tech/R&D	70.00	70.00

Construction Costs	
Less than 5,000 sf	n/a
5,000 to 19,999 sf	n/a
20,000 to 39,999 sf	n/a
40,000 to 59,999 sf	n/a
60,000 to 99,999 sf	n/a
More than 99,999 sf	n/a
High Tech/R&D	n/a

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	5.75	5.50
5,000 to 19,999 sf	5.00	4.25
20,000 to 39,999 sf	3.75	3.75
40,000 to 59,999 sf	3.50	3.50
60,000 to 99,999 sf	3.00	3.00
More than 99,999 sf	2.50	2.50
High Tech/R&D	10.00	8.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Substantial Oversupply
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	n/a	2.98
2 to 5 acres	n/a	2.30
5 to 10 acres	n/a	1.49
More than 10 acres	n/a	0.92
Unimproved Sites		
Less than 10 acres	n/a	1.37
10 to 100 acres	n/a	0.92
More than 100 acres	n/a	0.58

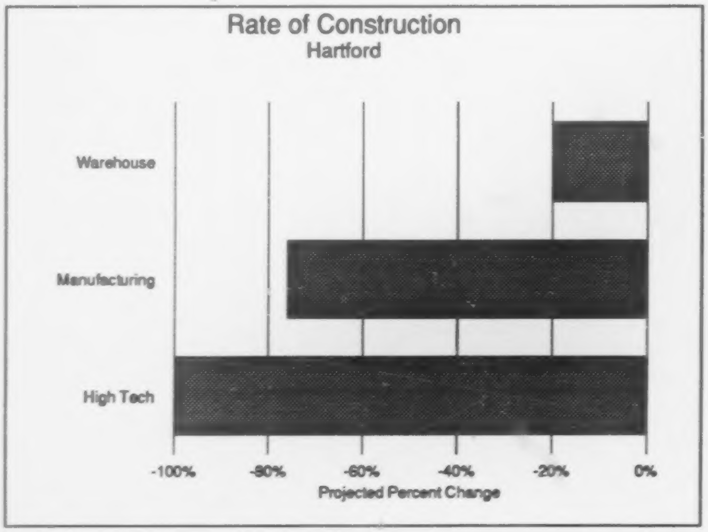
Composition of Absorption	
Warehouse/Distribution	70%
Manufacturing	10%
High Tech/R&D	20%
Rate of Construction	
Warehouse/Distribution	Down 20%
Manufacturing	Down 76%
High Tech/R&D	Down 100%
Dollar Volume - Sales	
Warehouse/Distribution	Down
Manufacturing	Down
High Tech/R&D	Down
Dollar Volume - Leases	
Warehouse/Distribution	Down
Manufacturing	Down
High Tech/R&D	Down

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Down 5%
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	755,168	61
Population Growth Rate	0.54%	
Unemployment Rate	4.50%	
Median Household Income	$45,250	6
Cost of Living Index	n/a	n/a



1990 REVIEW

Leasing activity focused on suburban warehouse and distribution facilities. Space additions coupled with a minimal amount of new construction pushed the vacancy rates up in each market. Older, larger, facilities have remained unleased for long periods of time. The volume of sales was way down as interested buyers were forced out of the market by stringent financing policies at troubled New England banks.

1991 FORECAST

The Hartford industrial market is not expected to experience any major changes over the next twelve months. Speculative development will be virtually absent as lenders are requiring substanital pre-leasing commitments or are showing interest in build-to-suit projects. Recessionary conditions will persist as all parties adopt a wait-and-see attitude.

HONOLULU, HAWAII: INDUSTRIAL

Honolulu, Hawaii / Island of Oahu

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	14,350,000	18,350,000
Vacant	257,000	290,000
Vacancy Rates	1.8%	1.6%
Under Construction	650,000	800,000
Net Absorption	313,000	402,000

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	175.00	65.00
5,000 to 19,999 sf	140.00	60.00
20,000 to 39,999 sf	110.00	60.00
40,000 to 59,999 sf	100.00	55.00
60,000 to 99,999 sf	100.00	55.00
More than 99,999 sf	90.00	50.00
High Tech/R&D	n/a	n/a

Construction Costs	
Less than 5,000 sf	75.00
5,000 to 19,999 sf	68.00
20,000 to 39,999 sf	68.00
40,000 to 59,999 sf	65.00
60,000 to 99,999 sf	65.00
More than 99,999 sf	58.00
High Tech/R&D	90.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	13.80	10.20
5,000 to 19,999 sf	10.20	9.00
20,000 to 39,999 sf	10.20	9.00
40,000 to 59,999 sf	9.00	8.40
60,000 to 99,999 sf	8.40	8.40
More than 99,999 sf	8.00	7.80
High Tech/R&D	18.00	12.60

Vacancy Indicators	
Less than 5,000 sf	Substantial Shortage
5,000 to 19,999 sf	Substantial Shortage
20,000 to 39,999 sf	Substantial Shortage
40,000 to 59,999 sf	Substantial Shortage
60,000 to 99,999 sf	Substantial Shortage
More than 99,999 sf	Substantial Shortage
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	125.00	60.00
2 to 5 acres	90.00	55.00
5 to 10 acres	85.00	30.00
More than 10 acres	n/a	25.00
Unimproved Sites		
Less than 10 acres	75.00	30.00
10 to 100 acres	n/a	25.00
More than 100 acres	n/a	n/a

Composition of Absorption	
Warehouse/Distribution	80%
Manufacturing	15%
High Tech/R&D	5%
Rate of Construction	
Warehouse/Distribution	Down 20%
Manufacturing	Down 20%
High Tech/R&D	Up 35%
Dollar Volume - Sales	
Warehouse/Distribution	Down 65%
Manufacturing	Down 35%
High Tech/R&D	Up 35%
Dollar Volume - Leases	
Warehouse/Distribution	Down 40%
Manufacturing	Down 35%
High Tech/R&D	Same

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Up 15%
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Down 60%
Manufacturing	Down 40%
High Tech/R&D	Same
Dollar Volume - Sales	Down 20%
Dollar Volume - Leases	Down 20%

DEMOGRAPHICS

		Rank
Population	844,178	59
Population Growth Rate	1.02%	
Unemployment Rate	2.60%	
Median Household Income	$37,031	17
Cost of Living Index	n/a	n/a

1990 REVIEW

The local economy enjoyed another prosperous year aided by the tourist and construction sectors. Demand for industrial space, particularly warehouse/distribution facilities, remained vibrant in 1990. The inventory was 98.3 percent occupied at year-end due to an increase in absorption and a slowdown in space additions. Available space was in very short supply at year-end. Also, undeveloped sites grew increasingly scarce, putting upward pressure on prices.

1991 FORECAST

Honolulu's industrial market will stay healthy in 1991 as demand levels are predicted to remain steady. Construction activity will slow as U.S. and Japanese banks tighten their lending policies. As a result, roughly one-half of all proposed projects will be delayed until financing can be secured, causing more severe space shortages.

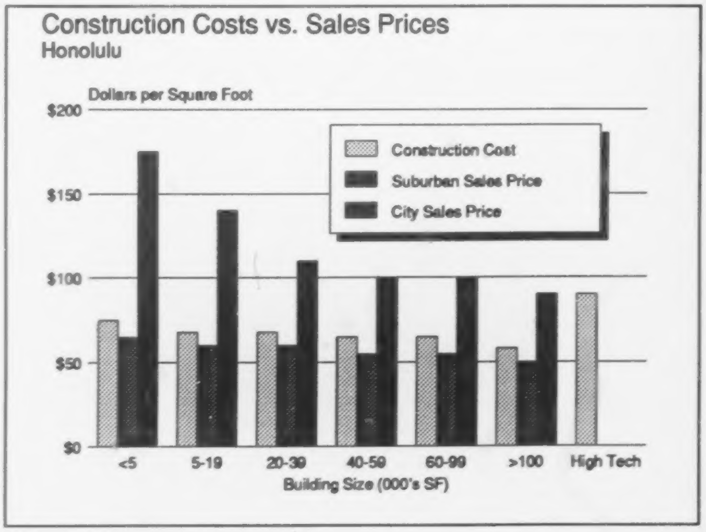

Construction Costs vs. Sales Prices
Honolulu

Photo courtesy of Greater Houston Convention and Visitors Bureau

HOUSTON, TEXAS: INDUSTRIAL

Houston, Texas

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	71,000,000	163,000,000
Vacant	8,500,000	22,500,000
Vacancy Rates	12.0%	13.8%
Under Construction	0	850,000
Net Absorption	900,000	3,200,000

Prime Source of Financing: Insurance Companies, Commercial Banks, Owner Financing

Mortgage Money Supply: Moderate

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	25.00-40.00	15.00-45.00
5,000 to 19,999 sf	25.00-35.00	20.00-35.00
20,000 to 39,999 sf	20.00-30.00	15.00-35.00
40,000 to 59,999 sf	15.00-30.00	15.00-30.00
60,000 to 99,999 sf	12.00-23.00	15.00-25.00
More than 99,999 sf	12.00-20.00	12.00-25.00
High Tech/R&D	16.00-50.00	16.00-50.00

Construction Costs	
Less than 5,000 sf	20.00-35.00
5,000 to 19,999 sf	20.00-30.00
20,000 to 39,999 sf	15.00-25.00
40,000 to 59,999 sf	15.00-23.00
60,000 to 99,999 sf	15.00-22.00
More than 99,999 sf	14.00-22.00
High Tech/R&D	25.00-45.00

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	2.50-4.00	2.50-4.00
5,000 to 19,999 sf	2.20-4.00	2.20-4.00
20,000 to 39,999 sf	2.00-3.25	2.00-3.25
40,000 to 59,999 sf	2.00-3.25	2.00-3.25
60,000 to 99,999 sf	1.80-3.00	1.80-3.00
More than 99,999 sf	1.80-2.80	1.80-2.80
High Tech/R&D	3.50-8.00	3.50-8.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Balanced Market
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Substantial Shortage
60,000 to 99,999 sf	Substantial Shortage
More than 99,999 sf	Substantial Shortage
High Tech/R&D	Moderate Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	1.50-6.00	1.00-5.00
2 to 5 acres	1.50-6.00	1.00-5.00
5 to 10 acres	1.50-5.00	1.00-4.00
More than 10 acres	1.00-5.00	1.00-4.00
Unimproved Sites		
Less than 10 acres	1.50-5.00	0.50-2.50
10 to 100 acres	1.00-3.00	0.20-2.00
More than 100 acres	n/a	0.10-1.00

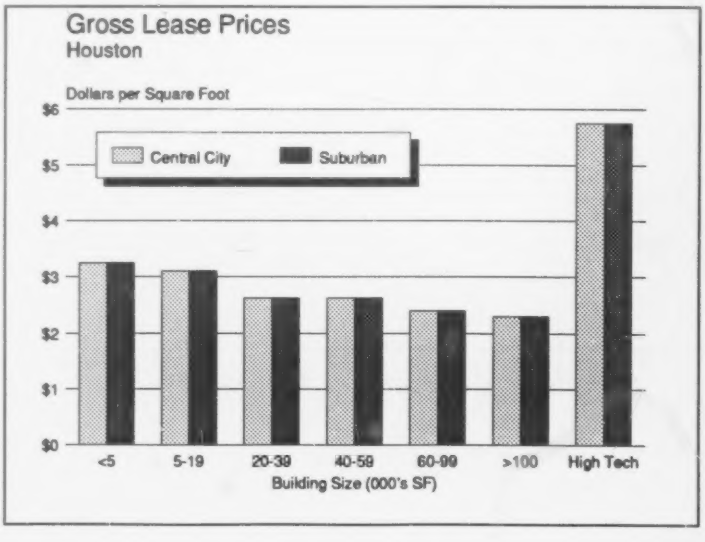
Composition of Absorption	
Warehouse/Distribution	60%
Manufacturing	20%
High Tech/R&D	20%
Rate of Construction	
Warehouse/Distribution	Up 10%
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Up 10%
Manufacturing	Same
High Tech/R&D	Up 10%
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Up 10%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Up 10-15%
Manufacturing	Up 5-10%
High Tech/R&D	Up 10-15%
Lease Prices	
Warehouse/Distribution	Up 10-20%
Manufacturing	Up 5-10%
High Tech/R&D	Up 5-20%
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Up 10-15%
Construction	
Warehouse/Distribution	Up 10-20%
Manufacturing	Up 5-10%
High Tech/R&D	Same
Dollar Volume - Sales	Up 10-15%
Dollar Volume - Leases	Up 10-15%

DEMOGRAPHICS

		Rank
Population	3,516,112	7
Population Growth Rate	2.54%	
Unemployment Rate	5.50%	
Median Household Income	$29,945	65
Cost of Living Index	100.3	43



1990 REVIEW

Houston's industrial market continues to work its way back to recovery. Demand levels were steady for all property types. While absoprtion was not as explosive as in 1989, 4.1 million sq. ft. of leasing activity served to keep the vacancy rate constant at 13.2 percent. Although there is a large inventory of available space, large blocks are hard to obtain and large manufacturing facilities are once again becoming rare. Several sources of financing supported an active investor market seeking primarily distribution facilities. Lenders are still cautious in setting terms of financing. New facilities are concentrated in the suburbs where 850,000 sq. ft. of construction is underway.

1991 FORECAST

The strength of the large concentration of national and international petrochemical companies has been largely responsible for Houston's recent turnaround. The infrastructure to support the expansion of the petrochemical industry is in place but the propects have been tempered by the war in the Middle East. Houston has taken steps to restructure its economy, boding well for the industrial market. Indicators are pointing upward for 1991.

INDIANAPOLIS, INDIANA: INDUSTRIAL

Indianapolis, Indiana

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	165,000,000	n/a
Vacant	8,500,000	n/a
Vacancy Rates	5.2%	n/a
Under Construction	1,100,000	n/a
Net Absorption	5,300,000	n/a

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	25.00	25.00
5,000 to 19,999 sf	23.00	23.00
20,000 to 39,999 sf	22.00	22.00
40,000 to 59,999 sf	20.00	20.00
60,000 to 99,999 sf	20.00	20.00
More than 99,999 sf	20.00	20.00
High Tech/R&D	30.00	30.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	6.00-7.25	6.00-7.25
5,000 to 19,999 sf	4.50-6.00	4.50-6.00
20,000 to 39,999 sf	4.35-5.50	4.35-5.50
40,000 to 59,999 sf	3.00-3.75	3.00-3.75
60,000 to 99,999 sf	3.00-3.75	3.00-3.75
More than 99,999 sf	3.00-3.75	3.00-3.75
High Tech/R&D	7.50-10.50	7.50-10.50

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	5.00	1.00-2.00
2 to 5 acres	5.00	1.00-2.00
5 to 10 acres	4.00	1.00-1.50
More than 10 acres	2.50	1.00-1.50
Unimproved Sites		
Less than 10 acres	n/a	1.00
10 to 100 acres	n/a	0.75
More than 100 acres	n/a	0.50

Outlook

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Up 8%
Manufacturing	Up 5%
High Tech/R&D	Up 8%
Site Prices	Same
Absorption	
Warehouse/Distribution	Up 10%
Manufacturing	Up 10%
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Up 20%
Manufacturing	Up 10%
High Tech/R&D	Same
Dollar Volume - Sales	Up 10%
Dollar Volume - Leases	Up 10%

DEMOGRAPHICS

		Rank
Population	1,268,572	40
Population Growth Rate	0.84%	
Unemployment Rate	3.70%	
Median Household Income	$31,154	49
Cost of Living Index	97.6	53

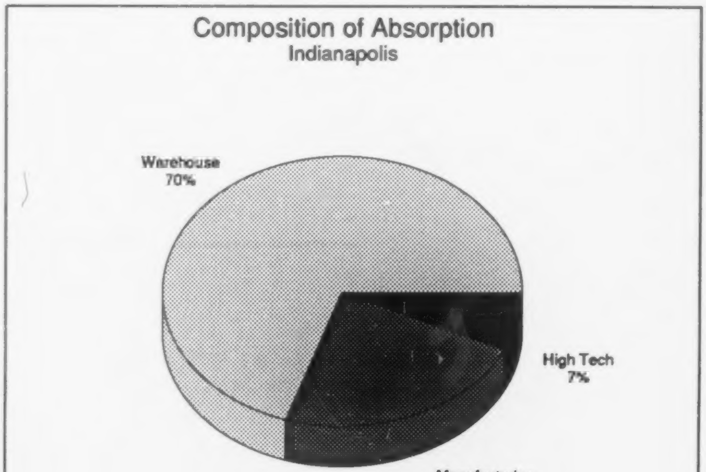
Prime Source of Financing: Insurance Companies, Pension Funds, Owner Financing

Mortgage Money Supply: Tight

Construction Costs	
Less than 5,000 sf	30.00-35.00
5,000 to 19,999 sf	25.00-30.00
20,000 to 39,999 sf	20.00-25.00
40,000 to 59,999 sf	20.00-25.00
60,000 to 99,999 sf	18.00-22.00
More than 99,999 sf	18.00-22.00
High Tech/R&D	30.00-50.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Shortage
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Moderate Shortage
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Moderate Shortage
High Tech/R&D	Balanced Market

Composition of Absorption	
Warehouse/Distribution	70%
Manufacturing	23%
High Tech/R&D	7%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Down 50%
Dollar Volume - Sales	
Warehouse/Distribution	Up 10%
Manufacturing	Same
High Tech/R&D	Down 25%
Dollar Volume - Leases	
Warehouse/Distribution	Up 20%
Manufacturing	Up 10%
High Tech/R&D	Down 20%



1990 REVIEW

Demand for industrial space in Indiana continued to grow in 1990. New construction slowed significantly and net absorption exceeded new construction at a five-to-one ratio. The decline in new construction is attributed to difficulties in financing new projects. Increasing demand in a tight market has left most size categories undersupplied. Lease rates and sales prices remained relatively constant with slight increases for small spaces of less than 5,000 sq. ft.

1991 FORECAST

Indianapolis' importance as a distribution center and a healthy local economy will continue to fuel demand for industrial space in 1991. SIOR reporters anticipate lease and sales dollar volumes to increase 10 percent. Construction of distribution and assembly facilities should rise 10 percent to meet current demand. Lease prices should also strengthen between five and eight percent. A problem facing owners of industrial properties seeking to sell stems from stringent environmental reporting requirements enacted in July 1990, causing transaction delays.

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SIOR

JACKSON, MICHIGAN: INDUSTRIAL

Jackson, Michigan

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	500,000	1,500,000
Vacant	100,000	650,000
Vacancy Rates	20.0%	43.3%
Under Construction	60,000	20,000
Net Absorption	0	0

Prime Source of Financing: Commercial Banks, Revenue bonds EDC

Mortgage Money Supply: Ample

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	16.00	16.00
5,000 to 19,999 sf	15.00	15.00
20,000 to 39,999 sf	12.00	12.00
40,000 to 59,999 sf	10.00	10.00
60,000 to 99,999 sf	n/a	n/a
More than 99,999 sf	10.00-15.00	10.00-15.00
High Tech/R&D	n/a	n/a

Construction Costs	
Less than 5,000 sf	28.00
5,000 to 19,999 sf	28.00
20,000 to 39,999 sf	25.00
40,000 to 59,999 sf	24.00
60,000 to 99,999 sf	24.00
More than 99,999 sf	22.00
High Tech/R&D	n/a

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	2.50	2.50
5,000 to 19,999 sf	2.00-2.50	2.00-2.50
20,000 to 39,999 sf	2.00	2.00
40,000 to 59,999 sf	1.75	1.75
60,000 to 99,999 sf	1.60	1.60
More than 99,999 sf	1.50	1.50
High Tech/R&D	n/a	6.00-8.00

Vacancy Indicators	
Less than 5,000 sf	Substantial Shortage
5,000 to 19,999 sf	Substantial Shortage
20,000 to 39,999 sf	Substantial Shortage
40,000 to 59,999 sf	Moderate Shortage
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Moderate Shortage
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	0.50	0.50
2 to 5 acres	0.35	0.40
5 to 10 acres	0.35	0.35
More than 10 acres	0.30	0.30
Unimproved Sites		
Less than 10 acres	n/a	n/a
10 to 100 acres	n/a	n/a
More than 100 acres	n/a	n/a

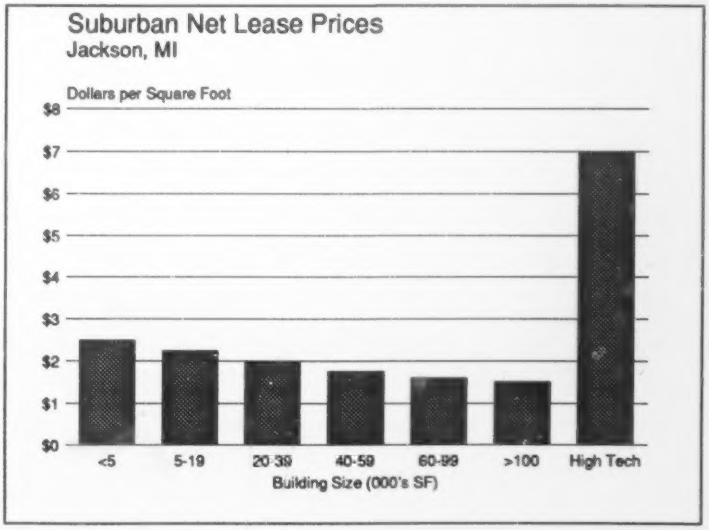
Composition of Absorption	
Warehouse/Distribution	60%
Manufacturing	40%
High Tech/R&D	0%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	n/a
Dollar Volume - Sales	
Warehouse/Distribution	Up 10%
Manufacturing	Up 15%
High Tech/R&D	n/a
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	n/a

OUTLOOK

Sales Prices	
Warehouse/Distribution	Up 10%
Manufacturing	Up 10%
High Tech/R&D	n/a
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Up
Site Prices	Same
Absorption	
Warehouse/Distribution	Up 10%
Manufacturing	Same
High Tech/R&D	Up
Construction	
Warehouse/Distribution	Up 10%
Manufacturing	Same
High Tech/R&D	Up
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	149,961	108
Population Growth Rate	-0.10%	
Unemployment Rate	7.80%	
Median Household Income	$28,875	75
Cost of Living Index	n/a	n/a



1990 REVIEW

Attempts to diversify this market have been unavailing. Jackson has become ever more dependent on the cyclical auto business. Jackson has proven unable to compete with neighboring Ann Arbor and Lansing in nonmanufacturing sectors of the economy. The Nippondenso Toyota plant is operating and has the potential to double the size of the facility on its 100 acre site. Although vacancy rates are very high, the market is small and even slight changes in vacant space cause vacancy rates to fluctuate wildly. The local SIOR reporter labels the market as undersupplied with modern, well-designed facilities.

1991 FORECAST

Jackson's concentration in economy-sized autos may work to its advantage in the current environment. Japanese auto makers are likely to benefit from the current Middle East crisis given their reputation for small fuel-efficient cars. Various labor training and incentive programs sponsored by The Private Industry Council have contributed to the area's ability to attract foreign investment. SIOR's local reporter anticipates moderate increases in construction, absorption, and sales prices.

JACKSON, Mississippi: INDUSTRIAL

Jackson, Mississippi

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	n/a	9,000,000
Vacant	n/a	500,000
Vacancy Rates	n/a	5.6%
Under Construction	n/a	0
Net Absorption	n/a	1,000,000

Prime Source of Financing: Commercial Banks, Bond Issues

Mortgage Money Supply: Moderate

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	n/a	20.00-25.00
5,000 to 19,999 sf	n/a	15.00-20.00
20,000 to 39,999 sf	n/a	12.00-16.00
40,000 to 59,999 sf	n/a	10.00-15.00
60,000 to 99,999 sf	n/a	10.00-15.00
More than 99,999 sf	n/a	10.00-15.00
High Tech/R&D	n/a	30.00-40.00

Construction Costs	
Less than 5,000 sf	25.00
5,000 to 19,999 sf	20.00
20,000 to 39,999 sf	17.50
40,000 to 59,999 sf	16.00
60,000 to 99,999 sf	16.00
More than 99,999 sf	12.00-15.00
High Tech/R&D	25.00-40.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	n/a	2.00-3.50
5,000 to 19,999 sf	n/a	2.00-3.00
20,000 to 39,999 sf	n/a	2.00-2.50
40,000 to 59,999 sf	n/a	1.75-2.25
60,000 to 99,999 sf	n/a	1.75-2.25
More than 99,999 sf	n/a	1.50-2.25
High Tech/R&D	n/a	4.00-7.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Shortage
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Moderate Shortage
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Moderate Shortage
High Tech/R&D	Moderate Shortage

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	n/a	1.00-2.00
2 to 5 acres	n/a	0.75-1.50
5 to 10 acres	n/a	0.50-1.00
More than 10 acres	n/a	0.25-0.50
Unimproved Sites		
Less than 10 acres	n/a	0.20-0.50
10 to 100 acres	n/a	0.10-0.20
More than 100 acres	n/a	0.10-0.20

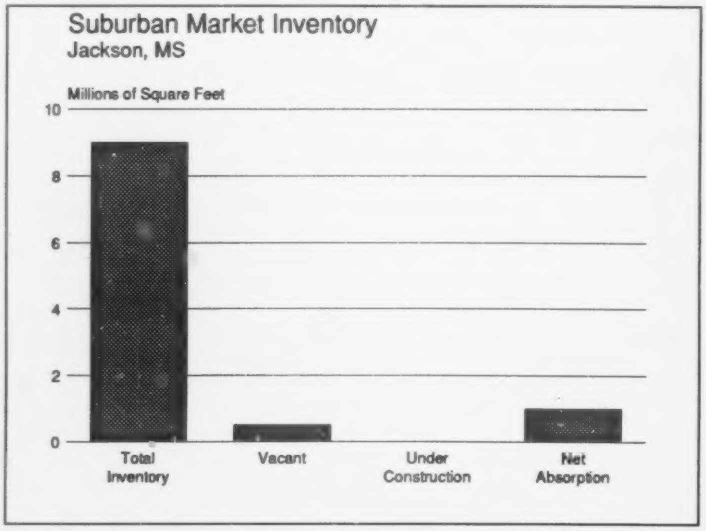
Composition of Absorption	
Warehouse/Distribution	60%
Manufacturing	30%
High Tech/R&D	10%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Up 20%
Manufacturing	Up 10%
High Tech/R&D	Up 10%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Down 10%
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	402,168	92
Population Growth Rate	1.06%	
Unemployment Rate	5.30%	
Median Household Income	$24,054	101
Cost of Living Index	n/a	n/a



1990 REVIEW

Demand increased dramatically in 1990. One million sq. ft. of space was absorbed leaving only 500,000 sq. ft. available. The dollar volume of lease transactions rose 20 percent over the 1989 total. Manufacturing facilities, which in Jackson are primarily engine and equipment assembly operations, were in greater demand, capturing 30 percent of total activity. All property types are now undersupplied, yet there was no new construction due to the limited amount of financing.

1991 FORECAST

The majority of activity has been generated by companies that have an established foothold in this market located on the Mississippi River, between Memphis and New Orleans. Local industries are expected to expand at a pace equal to 1991, with the exception of manufacturing related firms which will pull back. The vacancy rate which was 5.6 percent at year-end, is projected to fall further and space shortages will approach serious levels.

Jacksonville, Florida: Industrial

Jacksonville, Florida

Market Data

Inventory (sf)	Central City	Suburban
Total	-	17,780,000
Vacant	-	2,050,000
Vacancy Rates	-	11.5%
Under Construction	-	n/a
Net Absorption	-	n/a

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	18.00-35.00
5,000 to 19,999 sf	-	18.00-35.00
20,000 to 39,999 sf	-	13.00-20.00
40,000 to 59,999 sf	-	13.00-20.00
60,000 to 99,999 sf	-	13.00-20.00
More than 99,999 sf	-	13.00-20.00
High Tech/R&D	-	n/a

Construction Costs	
Less than 5,000 sf	n/a
5,000 to 19,999 sf	n/a
20,000 to 39,999 sf	n/a
40,000 to 59,999 sf	n/a
60,000 to 99,999 sf	n/a
More than 99,999 sf	n/a
High Tech/R&D	n/a

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	-	3.00-7.00
5,000 to 19,999 sf	-	2.25-4.75
20,000 to 39,999 sf	-	2.25-4.00
40,000 to 59,999 sf	-	2.25-3.75
60,000 to 99,999 sf	-	2.25-3.25
More than 99,999 sf	-	2.00-3.00
High Tech/R&D	-	n/a

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Balanced Market
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Moderate Oversupply
High Tech/R&D	Moderate Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	1.00-1.50
2 to 5 acres	-	0.80-1.25
5 to 10 acres	-	0.80-1.00
More than 10 acres	-	0.50-1.60
Unimproved Sites		
Less than 10 acres	-	0.50-1.00
10 to 100 acres	-	0.35-1.00
More than 100 acres	-	0.35-0.75

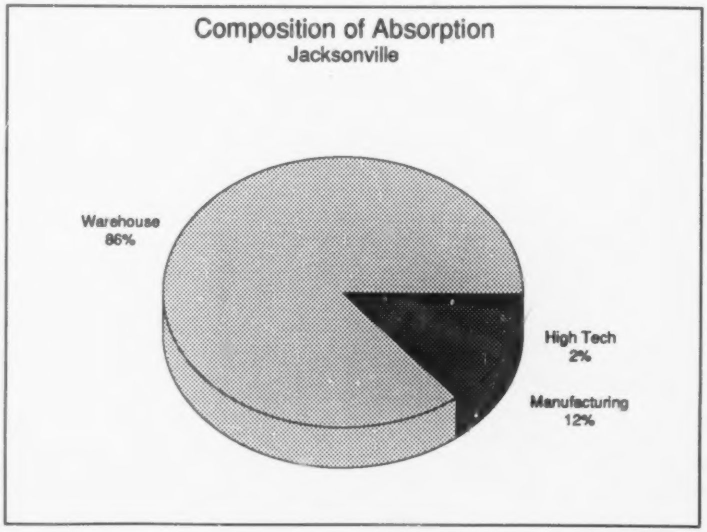
Composition of Absorption	
Warehouse/Distribution	86%
Manufacturing	12%
High Tech/R&D	2%
Rate of Construction	
Warehouse/Distribution	Down 6-10%
Manufacturing	Down 6-10%
High Tech/R&D	Down 6-10%
Dollar Volume - Sales	
Warehouse/Distribution	Down 6-10%
Manufacturing	Down 6-10%
High Tech/R&D	Down 11-15%
Dollar Volume - Leases	
Warehouse/Distribution	Down 6-10%
Manufacturing	Down 6-10%
High Tech/R&D	Down 6-10%

Outlook

Sales Prices	
Warehouse/Distribution	Down 3-7%
Manufacturing	Down 3-7%
High Tech/R&D	Down 3-7%
Lease Prices	
Warehouse/Distribution	Down 3-7%
Manufacturing	Down 3-7%
High Tech/R&D	Down 3-7%
Site Prices	Down 3-7%
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Down 6-10%
Construction	
Warehouse/Distribution	Down 3-7%
Manufacturing	Down 3-7%
High Tech/R&D	Same
Dollar Volume - Sales	Down 5-10%
Dollar Volume - Leases	Down 5-10%

Demographics

		Rank
Population	962,066	53
Population Growth Rate	2.91%	
Unemployment Rate	5.60%	
Median Household Income	$28,853	76
Cost of Living Index	96.9	56



1990 Review

Jacksonville's industrial market slipped backward in 1990, as its vacancy rate reverted to 11.5 percent. Leasing activity was spotty for all property types. Demand for distribution space accounted for 86 percent of all leasing. Service firms were the most active in the market while manufacturing companies were restrained. The volume of transactions declined and prices for low-end facilities dropped marginally.

1991 Forecast

Almost every market indicator will decline in 1991 in the view of SIOR's local observers. Absorption is expected to remain flat. There will be very little speculative development due to the current weakness of demand. The local economy is well diversified and the city plays a significant role as a distribution and transportation hub for northern Florida.

JOHNSON CITY-KINGSPORT-BRISTOL, TENNESSEE/VIRGINIA: INDUSTRIAL

Bristol, TN-VA; Kingsport, TN; Johnson City, TN (Tri-Cities Area)

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	n/a	-
Vacant	2,500,000	-
Vacancy Rates	n/a	-
Under Construction	n/a	-
Net Absorption	n/a	-

Prime Source of Financing: Commercial Banks, Owner Financing

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	25.00-30.00	25.00-30.00
5,000 to 19,999 sf	15.00-18.00	18.00-22.00
20,000 to 39,999 sf	12.00-18.00	15.00-18.00
40,000 to 59,999 sf	10.00-14.00	12.00-18.00
60,000 to 99,999 sf	8.00-12.00	10.00-12.00
More than 99,999 sf	8.00-12.00	8.00-12.00
High Tech/R&D	n/a	n/a

Construction Costs	
Less than 5,000 sf	25.00-30.00
5,000 to 19,999 sf	22.00-25.00
20,000 to 39,999 sf	22.00-25.00
40,000 to 59,999 sf	22.00-25.00
60,000 to 99,999 sf	20.00-22.00
More than 99,999 sf	20.00-22.00
High Tech/R&D	n/a

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	n/a	n/a
5,000 to 19,999 sf	2.00-2.50	2.50-2.25
20,000 to 39,999 sf	2.00-3.00	2.00-3.00
40,000 to 59,999 sf	1.50-2.00	1.75-2.25
60,000 to 99,999 sf	1.50-2.00	1.50-2.25
More than 99,999 sf	1.00-2.00	1.00-2.25
High Tech/R&D	n/a	n/a

Vacancy Indicators	
Less than 5,000 sf	Substantial Shortage
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Substantial Shortage
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Moderate Oversupply
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	1.15	1.72-2.30
2 to 5 acres	0.80-0.92	1.15-1.72
5 to 10 acres	0.69-0.80	0.69-0.92
More than 10 acres	0.57	0.46-0.69
Unimproved Sites		
Less than 10 acres	n/a	0.17
10 to 100 acres	n/a	0.11
More than 100 acres	n/a	0.06-0.07

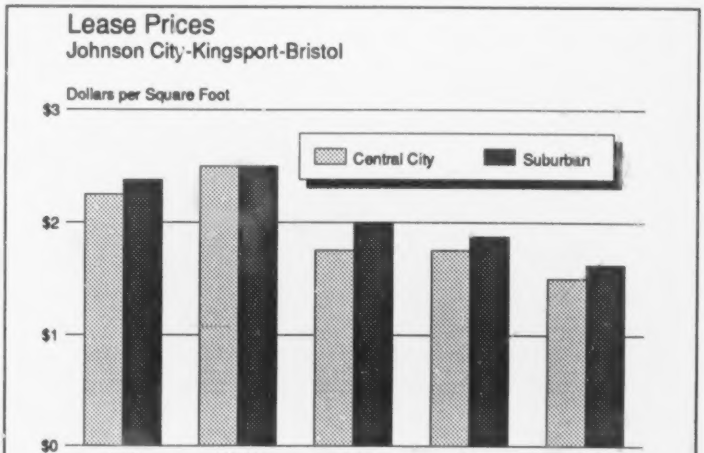
Composition of Absorption	
Warehouse/Distribution	40%
Manufacturing	40%
High Tech/R&D	20%
Rate of Construction	
Warehouse/Distribution	Up 15%
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Up 5%
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Up 5-10%
Manufacturing	Same
High Tech/R&D	Same

OUTLOOK

Sales Prices	
Warehouse/Distribution	Up 8-10%
Manufacturing	Up 5%
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Up 0-5%
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Up 5-8%
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Up 0-5%
Manufacturing	Up 0-3%
High Tech/R&D	Same
Dollar Volume - Sales	Up 5-10%
Dollar Volume - Leases	Up 0-5%

DEMOGRAPHICS

		Rank
Population	453,351	86
Population Growth Rate	0.45%	
Unemployment Rate	4.60%	
Median Household Income	$24,035	102
Cost of Living Index	n/a	n/a


Lease Prices
Johnson City-Kingsport-Bristol

1990 REVIEW

The Tri-Cities industrial market is widely scattered among three cities and seven counties. Its inventory has yet to be tracked, although vacant space is estimated to be around 2.5 million sq. ft. Its building stock is primarily older distribution and manufacturing facilities built by large companies to suit their specific needs. Recently, several companies have pulled out of the market, moving elsewhere to adapt to advancements in technology or to changes in ownership.

1991 FORECAST

The Tri-Cities market is positioned itself to attract new industries from outside the area. The adjoining counties are cooperating to improve the area's infrastructure by building new highways and improving existing roads. Local distribution companies have targeted this area as a sub-regional hub. SIOR's local reporter anticipates that market indicators will remain stable in 1991.

KANSAS CITY, MISSOURI/KANSAS: INDUSTRIAL

Metropolitan Kansas City, Missouri and Kansas

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	91,500,000	71,200,000
Vacant	3,000,000	5,600,000
Vacancy Rates	3.3%	7.9%
Under Construction	150,000	500,000
Net Absorption	2,000,000	600,000

Prime Source of Financing: Insurance Companies, Commercial Banks, Owner Financing

Mortgage Money Supply: Moderate

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	20.00-25.00	31.50-41.00
5,000 to 19,999 sf	18.00-25.00	31.50-41.00
20,000 to 39,999 sf	14.00-22.00	27.00-32.00
40,000 to 59,999 sf	14.00-20.00	27.00-32.00
60,000 to 99,999 sf	10.00-14.00	18.00-22.50
More than 99,999 sf	n/a	17.00-22.00
High Tech/R&D	n/a	42.00-50.00

Construction Costs	
Less than 5,000 sf	40.00
5,000 to 19,999 sf	32.00-35.00
20,000 to 39,999 sf	25.00-26.00
40,000 to 59,999 sf	24.00-25.00
60,000 to 99,999 sf	22.00-24.00
More than 99,999 sf	19.00
High Tech/R&D	40.00

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	3.75	5.50-6.50
5,000 to 19,999 sf	3.00	3.50-4.50
20,000 to 39,999 sf	2.50-2.75	3.00-4.00
40,000 to 59,999 sf	2.50	2.75-3.50
60,000 to 99,999 sf	2.50	2.75-3.50
More than 99,999 sf	2.50	2.75-3.50
High Tech/R&D	n/a	7.00-9.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Moderate Shortage
High Tech/R&D	Moderate Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	2.50-3.25	1.25-3.25
2 to 5 acres	1.50-3.00	1.25-3.00
5 to 10 acres	1.00-2.50	1.25-3.00
More than 10 acres	1.00-2.25	0.75-3.00
Unimproved Sites		
Less than 10 acres	n/a	n/a
10 to 100 acres	n/a	0.10
More than 100 acres	n/a	0.10

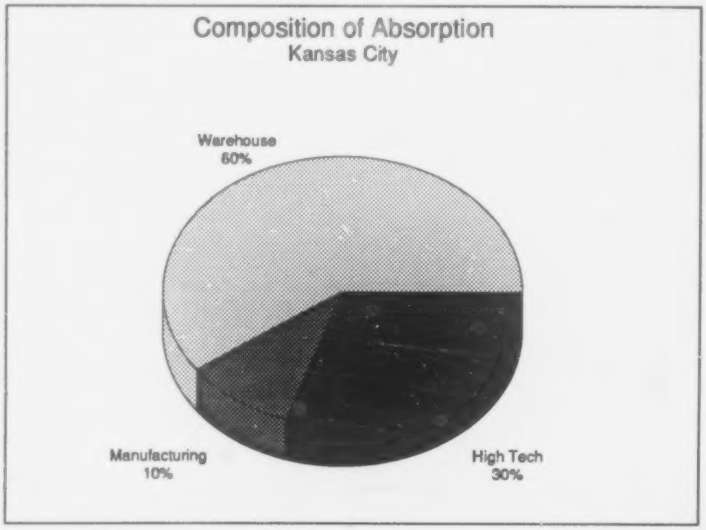
Composition of Absorption	
Warehouse/Distribution	60%
Manufacturing	10%
High Tech/R&D	30%
Rate of Construction	
Warehouse/Distribution	Down
Manufacturing	Down
High Tech/R&D	Down
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Up 10%
Manufacturing	Same
High Tech/R&D	Same

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down 5-10%
Manufacturing	Down 5-10%
High Tech/R&D	Down 5-10%
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Down 5%
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Down 50%
Manufacturing	Down 50%
High Tech/R&D	Down 50%
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	1,597,342	28
Population Growth Rate	1.09%	
Unemployment Rate	5.10%	
Median Household Income	$32,175	36
Cost of Living Index	n/a	n/a



1990 REVIEW

The Kansas City market showed signs of tightening in 1990. Absorption increased by 1,000,000 sq. ft. and vacancy decreased one percentage point marketwide to 5.3 percent. This industrial market is somewhat insulated from manufacturing's cycles because assembly parks have taken only five to 10 percent of all absorption over the past four years. Rental rates remained constant in 1990. Sales prices rose slightly in the central city and dropped off in the suburbs.

1991 FORECAST

Local developers are very guarded in their outlook for 1991, and limited speculative development is anticipated. SIOR's reporters expect construction to decline 50 percent and sales prices to drop five to 10 percent in 1991, reflecting their pessimistic view of the national economy. Kansas City's importance as a regional distribution center and its broad industry mix indicates that it would be less prone to severe downturns than some other midwestern cities.

KNOXVILLE, TENNESSEE: INDUSTRIAL

Knoxville, Tennessee

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	10,955,000	5,426,000
Vacant	613,000	930,000
Vacancy Rates	5.6%	17.1%
Under Construction	20,000	80,000
Net Absorption	n/a	n/a

Prime Source of Financing: Insurance Companies

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	30.00	30.00
5,000 to 19,999 sf	28.00	28.00
20,000 to 39,999 sf	22.00	22.00
40,000 to 59,999 sf	20.00	28.00
60,000 to 99,999 sf	18.00	15.00
More than 99,999 sf	15.00	15.00
High Tech/R&D	n/a	n/a

Construction Costs	
Less than 5,000 sf	26.00
5,000 to 19,999 sf	25.00
20,000 to 39,999 sf	19.00
40,000 to 59,999 sf	18.00
60,000 to 99,999 sf	16.00
More than 99,999 sf	15.00
High Tech/R&D	n/a

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	4.50	4.00
5,000 to 19,999 sf	4.00	3.50
20,000 to 39,999 sf	3.00	3.00
40,000 to 59,999 sf	2.75	2.75
60,000 to 99,999 sf	2.50	2.50
More than 99,999 sf	2.00	2.00
High Tech/R&D	n/a	n/a

Vacancy Indicators	
Less than 5,000 sf	Substantial Shortage
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Moderate Oversupply
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	2.00	1.50
2 to 5 acres	1.80	1.40
5 to 10 acres	1.30	1.00
More than 10 acres	1.00	0.50
Unimproved Sites		
Less than 10 acres	0.75	0.45
10 to 100 acres	0.50	0.25
More than 100 acres	n/a	0.15

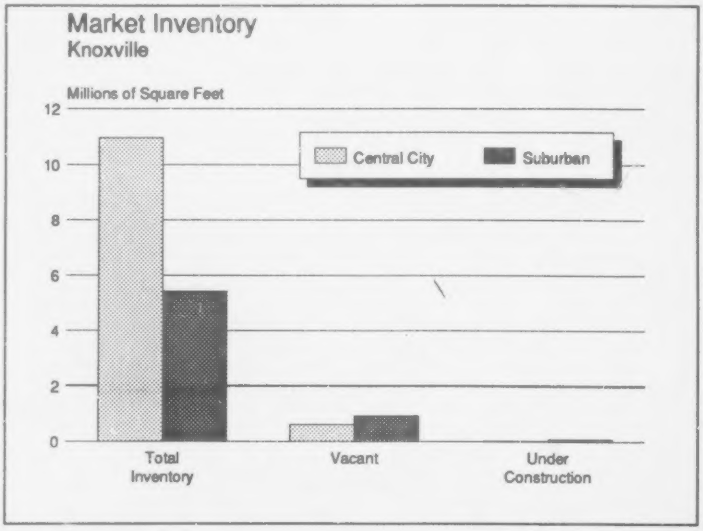
Composition of Absorption	
Warehouse/Distribution	80%
Manufacturing	15%
High Tech/R&D	5%
Rate of Construction	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 20%
Dollar Volume - Sales	
Warehouse/Distribution	Down 5%
Manufacturing	Down 10%
High Tech/R&D	Down 20%
Dollar Volume - Leases	
Warehouse/Distribution	Down 5%
Manufacturing	Down 10%
High Tech/R&D	Down 20%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Lease Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Site Prices	Down 20%
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Down 10%
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Down 10%
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	602,702	73
Population Growth Rate	0.63%	
Unemployment Rate	4.30%	
Median Household Income	$24,971	100
Cost of Living Index	93.7	69



1990 REVIEW

All aspects of the Knoxville industrial market were slow in 1990. The vacancy rate pushed back up to 9.4 percent, after last year's notable decline with the suburban market suffering more severely. The manufacturing sector, dominated by apparel, chemicals, and nonferrous metals, accounted for only 15 percent of all activity. Warehouse and distribution facilities captured the lion's share of total demand. Slower market conditions and approximately 100,000 sq. ft. currently under construction will continue upward pressure on the vacancy rate.

1991 FORECAST

Manufacturing in Knoxville has been losing ground due to cutbacks in defense spending and increased competition from outside the area. The business in the area is concentrated in low growth industries. Propects for luring new business to the area are somewhat hopeful as the area boasts low operating costs and an ample supply of low-cost labor. SIOR's current predictions are conservative, including a decline in prices and a further softening of the market.

LAFAYETTE, INDIANA: INDUSTRIAL

Lafayette - West Lafayette

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	-	n/a
Vacant	-	n/a
Vacancy Rates	-	n/a
Under Construction	-	n/a
Net Absorption	-	n/a

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Moderate

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	30.00-35.00
5,000 to 19,999 sf	-	30.00-40.00
20,000 to 39,999 sf	-	25.00-35.00
40,000 to 59,999 sf	-	20.00-30.00
60,000 to 99,999 sf	-	20.00-30.00
More than 99,999 sf	-	15.00-25.00
High Tech/R&D	-	35.00-45.00

Construction Costs	
Less than 5,000 sf	30.00
5,000 to 19,999 sf	22.00
20,000 to 39,999 sf	20.00
40,000 to 59,999 sf	20.00
60,000 to 99,999 sf	18.00
More than 99,999 sf	18.00
High Tech/R&D	n/a

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	-	4.00
5,000 to 19,999 sf	-	4.00
20,000 to 39,999 sf	-	3.75
40,000 to 59,999 sf	-	3.50
60,000 to 99,999 sf	-	3.50
More than 99,999 sf	-	3.25
High Tech/R&D	-	4.00-6.00

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Balanced Market
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Balanced Market
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	1.50
2 to 5 acres	-	1.00
5 to 10 acres	-	0.80
More than 10 acres	-	0.60
Unimproved Sites		
Less than 10 acres	-	n/a
10 to 100 acres	-	n/a
More than 100 acres	-	n/a

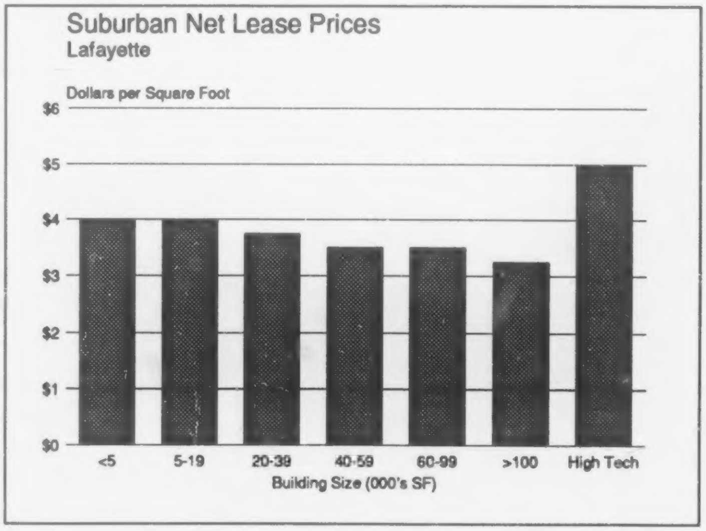
Composition of Absorption	
Warehouse/Distribution	n/a
Manufacturing	n/a
High Tech/R&D	n/a
Rate of Construction	
Warehouse/Distribution	Down 3-5%
Manufacturing	Down 3-5%
High Tech/R&D	Down 3-5%
Dollar Volume - Sales	
Warehouse/Distribution	Down 3-5%
Manufacturing	Down 3-5%
High Tech/R&D	Down 3-5%
Dollar Volume - Leases	
Warehouse/Distribution	Down 3-5%
Manufacturing	Down 3-5%
High Tech/R&D	Down 3-5%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Down 3-5%
Manufacturing	Down 3-5%
High Tech/R&D	Down 3-5%
Construction	
Warehouse/Distribution	Down 3-5%
Manufacturing	Down 3-5%
High Tech/R&D	Down 3-5%
Dollar Volume - Sales	Down 3-5%
Dollar Volume - Leases	Down 3-5%

DEMOGRAPHICS

		Rank
Population	125,867	110
Population Growth Rate	0.34%	
Unemployment Rate	2.00%	
Median Household Income	$26,523	87
Cost of Living Index	102.5	31



Suburban Net Lease Prices
Lafayette

1990 REVIEW

Lafayette's industrial market ended the year at equilibrium between supply and demand. Economic uncertainty in the region has contributed to decreased user activity. The area is depending on a strong performance from the new Subaru-Isuzu plant to stimulate growth. Although financing was still available from commercial banks, construction activity slowed slightly as did sales transactions.

1991 FORECAST

The outlook for Lafayette in 1991 is mixed. The local economy is holding up well under the stress of a larger national slowdown. The Subaru-Isuzu plant is having a rough time due to slower car sales, but its impact has not yet been calculated. Prices should hold firm, but rental transactions and in turn absorption will decrease three to five percent.

LAKELAND, FLORIDA: INDUSTRIAL

Lakeland, Eaton Park, Gibsonia, Kathleen, Winter Haven, and Mulberry

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	2,700,000	10,000,000
Vacant	30,000	1,000,000
Vacancy Rates	1.1%	10.0%
Under Construction	0	0
Net Absorption	400,000	1,800,000

Prime Source of Financing: Commercial Banks, Owner Financing

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	29.00	28.00
5,000 to 19,999 sf	26.00	25.00
20,000 to 39,999 sf	24.00	23.00
40,000 to 59,999 sf	21.00	20.00
60,000 to 99,999 sf	19.00	18.00
More than 99,999 sf	17.00	16.00
High Tech/R&D	40.00	38.00

Construction Costs	
Less than 5,000 sf	28.00
5,000 to 19,999 sf	21.00
20,000 to 39,999 sf	20.00
40,000 to 59,999 sf	19.00
60,000 to 99,999 sf	17.00
More than 99,999 sf	16.00
High Tech/R&D	38.00

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	5.50	5.00
5,000 to 19,999 sf	5.00	4.50
20,000 to 39,999 sf	3.75	3.50
40,000 to 59,999 sf	3.50	3.30
60,000 to 99,999 sf	3.25	3.10
More than 99,999 sf	3.00	2.90
High Tech/R&D	5.75	5.50

Vacancy Indicators	
Less than 5,000 sf	Moderate Shortage
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Substantial Shortage
40,000 to 59,999 sf	Substantial Shortage
60,000 to 99,999 sf	Substantial Shortage
More than 99,999 sf	Moderate Shortage
High Tech/R&D	Moderate Shortage

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	2.00	1.75
2 to 5 acres	1.70	1.50
5 to 10 acres	1.30	1.20
More than 10 acres	1.15	1.00
Unimproved Sites		
Less than 10 acres	0.60	0.50
10 to 100 acres	0.50	0.45
More than 100 acres	0.35	0.30

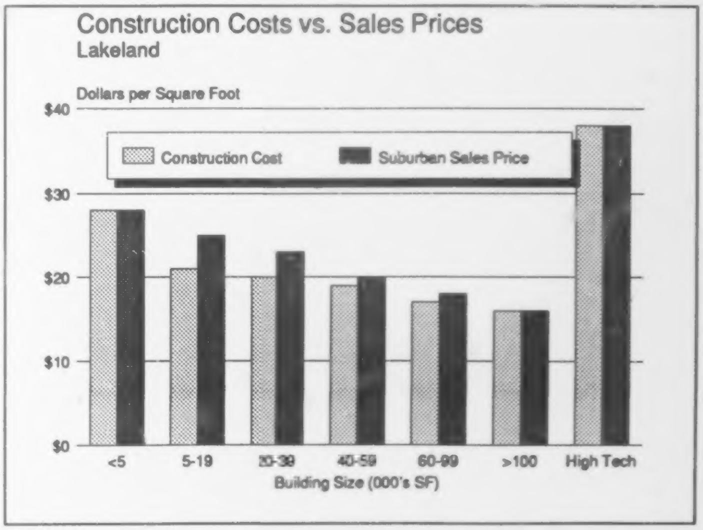
Composition of Absorption	
Warehouse/Distribution	80%
Manufacturing	18%
High Tech/R&D	2%
Rate of Construction	
Warehouse/Distribution	Down 50%
Manufacturing	Down 75%
High Tech/R&D	Down 90%
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Down 90%
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Down 90%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Up 5%
Manufacturing	Up 5%
High Tech/R&D	Up 5%
Lease Prices	
Warehouse/Distribution	Up 3%
Manufacturing	Up 3%
High Tech/R&D	Up 2%
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	404,257	91
Population Growth Rate	2.31%	
Unemployment Rate	10.50%	
Median Household Income	$23,714	104
Cost of Living Index	103.9	25



1990 REVIEW

Lakeland experienced another robust year of net absorption totalling 2.2 million sq. ft. Eighty percent of all absorption was concentrated in the warehousing/distribution category. Lack of financing stalled new construction and the market is experiencing shortages in all categories of industrial space. The tightening of the market caused sales prices to increase one to two dollars per sq. ft. while lease prices increased an average of 15 cents per sq. ft.

1991 FORECAST

Absorption for 1991 is expected to be similar to 1990 levels. With little speculative new construction planned due to a tight financing situation, virtually all of the 1,030,000 sq. ft. currently vacant would be absorbed resulting in a vacancy rate approaching zero. Limited financing will be available to larger, credit worthy users for expansion. As a result, the local SIOR reporter estimates price increases of five percent and lease price increases of two to three percent. Florida's comprehensive plan passed in 1990 to limit and control development will increase infrastructure costs and imposes stringent environmental reporting requirements.

LANSING, MICHIGAN: INDUSTRIAL

Lansing, Michigan

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	-	n/a
Vacant	-	n/a
Vacancy Rates	-	n/a
Under Construction	-	n/a
Net Absorption	-	n/a

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Moderate

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	30.00
5,000 to 19,999 sf	-	25.00
20,000 to 39,999 sf	-	20.00
40,000 to 59,999 sf	-	17.00
60,000 to 99,999 sf	-	n/a
More than 99,999 sf	-	n/a
High Tech/R&D	-	n/a

Construction Costs	
Less than 5,000 sf	25.00-35.00
5,000 to 19,999 sf	25.00-35.00
20,000 to 39,999 sf	25.00-35.00
40,000 to 59,999 sf	25.00-35.00
60,000 to 99,999 sf	25.00-35.00
More than 99,999 sf	25.00-35.00
High Tech/R&D	85.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	-	5.50
5,000 to 19,999 sf	-	4.50
20,000 to 39,999 sf	-	4.00
40,000 to 59,999 sf	-	3.50
60,000 to 99,999 sf	-	3.50
More than 99,999 sf	-	3.00
High Tech/R&D	-	16.50

Vacancy Indicators	
Less than 5,000 sf	Substantial Shortage
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Moderate Shortage
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Moderate Shortage
High Tech/R&D	Moderate Shortage

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	1.00-2.00
2 to 5 acres	-	1.00-2.00
5 to 10 acres	-	0.50-0.75
More than 10 acres	-	0.50-0.75
Unimproved Sites		
Less than 10 acres	-	-
10 to 100 acres	-	-
More than 100 acres	-	-

Composition of Absorption	
Warehouse/Distribution	90%
Manufacturing	0%
High Tech/R&D	10%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Up 10-20%
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Up 10-20%
Dollar Volume - Leases	
Warehouse/Distribution	Up
Manufacturing	Up
High Tech/R&D	Up

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Up 10%
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Up 10%
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

DEMOGRAPHICS

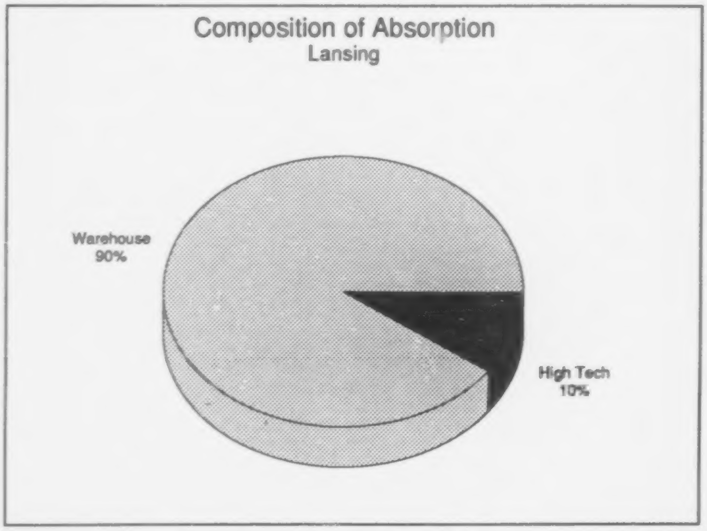
		Rank
Population	432,204	89
Population Growth Rate	0.29%	
Unemployment Rate	5.40%	
Median Household Income	$31,646	44
Cost of Living Index	107.5	16

1990 REVIEW

In 1990, activity in Lansing consisted largely of warehouse/distribution space which comprised an estimated 90 percent of all absorption. The High Tech/R&D sector of the market was also strong, and showed no signs of slowing. Most of the activity was generated by local users expanding or relocating and new businesses moving into the area.

1991 FORECAST

Growth in the Lansing market will be geared toward the R&D sector, with all indicators holding steady for distribution space. High Tech/R&D space will experience a rise in sales prices and an increase in construction activity. Speculative development will not play a major role this year despite reported shortages of all industrial property types.



LAS VEGAS, NEVADA: INDUSTRIAL

Las Vegas, Nevada

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	-	19,400,000
Vacant	-	582,000
Vacancy Rates	-	3.0%
Under Construction	-	2,440,000
Net Absorption	-	1,240,000

Prime Source of Financing: Commercial Banks, Owner Financing

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	30.00
5,000 to 19,999 sf	-	28.00
20,000 to 39,999 sf	-	26.00
40,000 to 59,999 sf	-	25.00
60,000 to 99,999 sf	-	25.00
More than 99,999 sf	-	25.00
High Tech/R&D	-	35.00

Construction Costs	
Less than 5,000 sf	30.00
5,000 to 19,999 sf	20.05
20,000 to 39,999 sf	24.25
40,000 to 59,999 sf	20.50
60,000 to 99,999 sf	20.00
More than 99,999 sf	19.70
High Tech/R&D	25.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	-	8.00
5,000 to 19,999 sf	-	6.50
20,000 to 39,999 sf	-	5.00
40,000 to 59,999 sf	-	5.00
60,000 to 99,999 sf	-	4.80
More than 99,999 sf	-	4.00
High Tech/R&D	-	10.00

Vacancy Indicators	
Less than 5,000 sf	Substantial Shortage
5,000 to 19,999 sf	Substantial Shortage
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Balanced Market
High Tech/R&D	Moderate Shortage

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	3.50	3.50
2 to 5 acres	2.90	2.90
5 to 10 acres	1.75	1.75
More than 10 acres	1.32	1.32
Unimproved Sites		
Less than 10 acres	1.90	1.90
10 to 100 acres	0.70	0.70
More than 100 acres	0.50	0.50

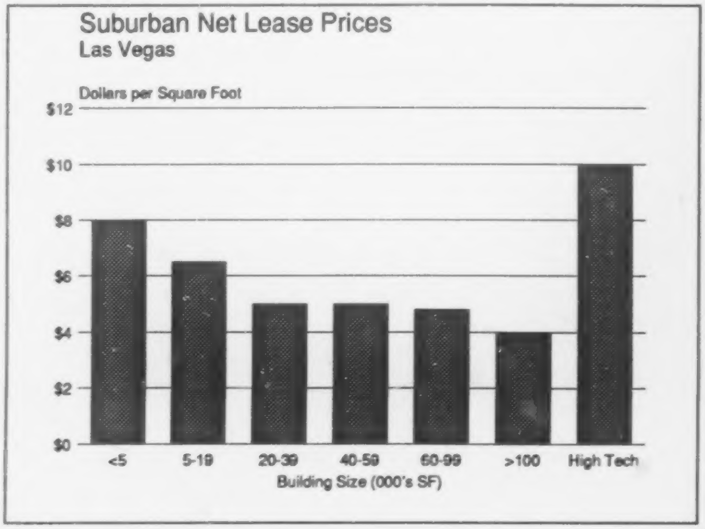
Composition of Absorption	
Warehouse/Distribution	40%
Manufacturing	20%
High Tech/R&D	40%
Rate of Construction	
Warehouse/Distribution	Up 50%
Manufacturing	Up 25%
High Tech/R&D	Up 25%
Dollar Volume - Sales	
Warehouse/Distribution	Up 50%
Manufacturing	Up 50%
High Tech/R&D	Up 10%
Dollar Volume - Leases	
Warehouse/Distribution	Up 10%
Manufacturing	Up 10%
High Tech/R&D	Up 10%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Up 3%
Manufacturing	Up 3%
High Tech/R&D	Up 3%
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Up 3%
Absorption	
Warehouse/Distribution	Up 5%
Manufacturing	Up 5%
High Tech/R&D	Up 5%
Construction	
Warehouse/Distribution	Up 15%
Manufacturing	Same
High Tech/R&D	Up 5%
Dollar Volume - Sales	Up 10%
Dollar Volume - Leases	Up 10%

DEMOGRAPHICS

		Rank
Population	688,861	64
Population Growth Rate	4.05%	
Unemployment Rate	4.60%	
Median Household Income	$29,508	70
Cost of Living Index	107.1	17



1990 REVIEW

Demand for industrial space kept vacancy rates down to three percent. Leasing resulted in 1.24 million sq. ft. of net absorption. Sales volumes were bolstered by users purchasing the facilities they leased. A total of 2.44 million sq. ft. under construction should satisfy the demand of existing and potential space users and bring the market back to equilibrium from 1990's shortage conditions.

1991 FORECAST

Indicators point to another year of growth in this strong market. Some estimate that demand may be equal to the amount of space currently available. The economy is fed by firms relocating from southern California seeking Las Vegas's favorable business, utility, and property costs. The probability of speculative construction is enhanced by the prospect of new users moving into the market, even in a tight-money environment such as that expected in 1991.

LITTLE ROCK, ARKANSAS: INDUSTRIAL

Greater Little Rock (Pulaski County), Arkansas

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	2,500,000	8,100,000
Vacant	275,000	585,000
Vacancy Rates	11.0%	7.2%
Under Construction	0	0
Net Absorption	-50,000	1,540,000

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	n/a	n/a
5,000 to 19,999 sf	n/a	17.00
20,000 to 39,999 sf	16.00	14.00
40,000 to 59,999 sf	10.00	13.00
60,000 to 99,999 sf	10.00	12.00
More than 99,999 sf	10.00	10.00
High Tech/R&D	n/a	n/a

Construction Costs	
Less than 5,000 sf	25.00
5,000 to 19,999 sf	25.00
20,000 to 39,999 sf	24.00
40,000 to 59,999 sf	24.00
60,000 to 99,999 sf	22.00
More than 99,999 sf	21.00
High Tech/R&D	35.00

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	1.75	2.50
5,000 to 19,999 sf	1.75	2.30
20,000 to 39,999 sf	1.65	2.10
40,000 to 59,999 sf	n/a	2.00
60,000 to 99,999 sf	n/a	2.00
More than 99,999 sf	n/a	2.00
High Tech/R&D	6.00	6.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Shortage
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Moderate Shortage
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Moderate Shortage
High Tech/R&D	Moderate Shortage

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	3.00	1.25
2 to 5 acres	n/a	0.65
5 to 10 acres	n/a	0.50
More than 10 acres	n/a	n/a
Unimproved Sites		
Less than 10 acres	n/a	0.13
10 to 100 acres	n/a	0.09
More than 100 acres	n/a	n/a

Composition of Absorption	
Warehouse/Distribution	60%
Manufacturing	35%
High Tech/R&D	5%
Rate of Construction	
Warehouse/Distribution	Down 75%
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Up 0%
Manufacturing	Up 0%
High Tech/R&D	Up 0%
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

DEMOGRAPHICS

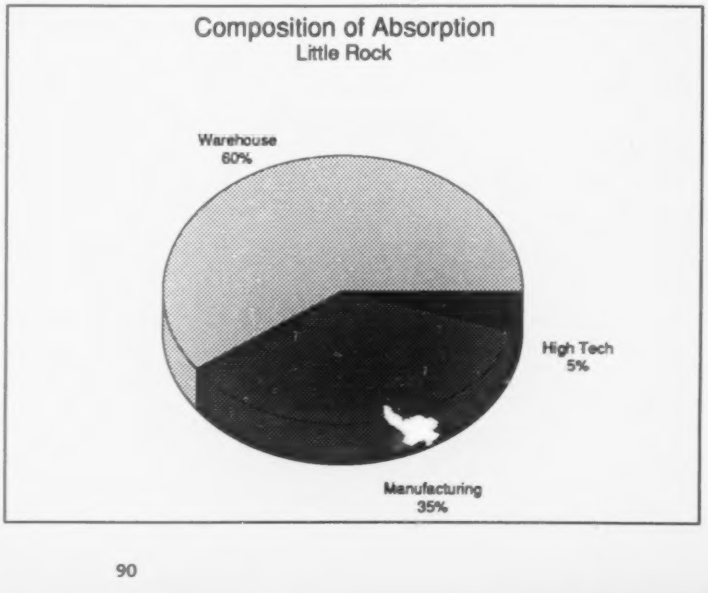
		Rank
Population	530,592	77
Population Growth Rate	1.12%	
Unemployment Rate	6.10%	
Median Household Income	$26,387	89
Cost of Living Index	96.0	60

1990 REVIEW

Leasing activity diminished the available inventory of high-quality space creating a shortage for all property types. Overall absorption was 1.5 million sq. ft. in the suburbs but a negative 50,000 in the city despite the absence of new construction. Growth occurred among existing owners who expanded their facilities.

1991 FORECAST

The local economy has been flat and is threatened to decline due to the national slowdown. Although most property types are undersupplied, tight lending policies will delay all speculative development. For the moment, it appears that year-end conditions in the industrial market will persist through 1991. Taking a longer perspective, the need for refrigerated warehousing is expected to increase as Arkansas finds its market share in poultry production rising. Also, AT&T is a major employer and High Tech/R&D facilities should see demand firming into the middle 1990s.


Composition of Absorption
Little Rock

Los Angeles-Central, California: Industrial

Los Angeles-Central, California

Market Data

Inventory (sf)	Central City	Suburban
Total	718,268,000	-
Vacant	67,198,000	-
Vacancy Rates	9.4%	-
Under Construction	8,209,172	-
Net Absorption	41,600,000	-

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	70.00-100.00	
5,000 to 19,999 sf	60.00-90.00	-
20,000 to 39,999 sf	50.00-70.00	-
40,000 to 59,999 sf	45.00-55.00	-
60,000 to 99,999 sf	45.00-55.00	-
More than 99,999 sf	40.00-50.00	-
High Tech/R&D	70.00-110.00	-

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	6.00-9.00	-
5,000 to 19,999 sf	4.80-6.60	-
20,000 to 39,999 sf	3.84-5.40	-
40,000 to 59,999 sf	3.84-4.80	-
60,000 to 99,999 sf	3.84-4.32	-
More than 99,999 sf	3.60-4.20	-
High Tech/R&D	8.40-14.40	-

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	13.00	-
2 to 5 acres	13.00-30.00	-
5 to 10 acres	13.00-30.00	-
More than 10 acres	30.00	-
Unimproved Sites		
Less than 10 acres	10.00	-
10 to 100 acres	10.00-26.00	-
More than 100 acres	26.00	-

Prime Source of Financing: Insurance Companies, Pension Funds

Mortgage Money Supply: Tight

Construction Costs	
Less than 5,000 sf	32.70
5,000 to 19,999 sf	27.90
20,000 to 39,999 sf	21.05
40,000 to 59,999 sf	19.10
60,000 to 99,999 sf	16.45
More than 99,999 sf	15.25
High Tech/R&D	n/a

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Balanced Market
High Tech/R&D	Balanced Market

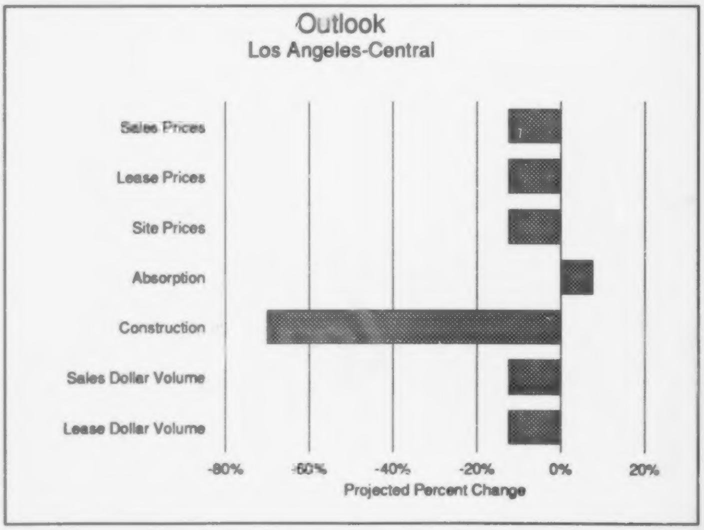
Composition of Absorption	
Warehouse/Distribution	60%
Manufacturing	30%
High Tech/R&D	10%
Rate of Construction	
Warehouse/Distribution	Down 50%
Manufacturing	Down 50%
High Tech/R&D	Down 50%
Dollar Volume - Sales	
Warehouse/Distribution	Down 15%
Manufacturing	Down 15%
High Tech/R&D	Down 15%
Dollar Volume - Leases	
Warehouse/Distribution	Down 20%
Manufacturing	Down 20%
High Tech/R&D	Down 20%

Outlook

Sales Prices	
Warehouse/Distribution	Down 10-15%
Manufacturing	Down 10-15%
High Tech/R&D	Down 10-15%
Lease Prices	
Warehouse/Distribution	Down 10-15%
Manufacturing	Down 10-15%
High Tech/R&D	Down 10-15%
Site Prices	Down 10-15%
Absorption	
Warehouse/Distribution	Up 5-10%
Manufacturing	Up 5-10%
High Tech/R&D	Up 5-10%
Construction	
Warehouse/Distribution	Down 70%
Manufacturing	Down 70%
High Tech/R&D	Down 70%
Dollar Volume - Sales	Down 10-15%
Dollar Volume - Leases	Down 10-15%

Demographics

		Rank
Population	8,710,996	1
Population Growth Rate	1.54%	
Unemployment Rate	6.10%	
Median Household Income	$34,891	21
Cost of Living Index	124.8	5



1990 Review

In a market with 718 million sq. ft. of inventory a vacancy rate of 9.4 percent is sizable even considering that absorption was 41.6 million sq. ft. in 1990. Small to mid-sized transactions, (5,000-20,000 sq. ft.) were the trend with most firms signing short-term renewals. New space additions served to widen the price range for buildings both on a sale or lease basis.

1991 Forecast

A weakened economy especially in aerospace will cut away at prices for industrial space in Central Los Angeles. SIOR's reporter predicts an increase in absorption, perhaps stimulated by lower rents. Development will be contained to fully pre-leased or build-to-suit projects. Los Angeles's position as a gateway to the Pacific Rim should help bolster the strained local economy.

LOS ANGELES
MEMORIAL
COLISEUM

Photo courtesy of Los Angeles Convention and Visitors Bureau

Los Angeles-East, California: Industrial

Buena Park, Cerritos, La Mirada, and Santa Fe Springs

Market Data

Inventory (sf)	Central City	Suburban
Total	72,500,000	n/a
Vacant	3,500,000	n/a
Vacancy Rates	4.8%	n/a
Under Construction	1,500,000	n/a
Net Absorption	2,000,000	n/a

Prime Source of Financing: Insurance Companies

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	80.00	n/a
5,000 to 19,999 sf	75.00	n/a
20,000 to 39,999 sf	65.00	n/a
40,000 to 59,999 sf	62.00	n/a
60,000 to 99,999 sf	58.00	n/a
More than 99,999 sf	50.00	n/a
High Tech/R&D	60.00	n/a

Construction Costs	
Less than 5,000 sf	35.00
5,000 to 19,999 sf	30.00
20,000 to 39,999 sf	27.00
40,000 to 59,999 sf	25.00
60,000 to 99,999 sf	20.00
More than 99,999 sf	18.00
High Tech/R&D	45.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	6.50	n/a
5,000 to 19,999 sf	5.90	n/a
20,000 to 39,999 sf	5.30	n/a
40,000 to 59,999 sf	5.00	n/a
60,000 to 99,999 sf	4.00	n/a
More than 99,999 sf	3.60	n/a
High Tech/R&D	5.00	n/a

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Moderate Oversupply
High Tech/R&D	Moderate Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	14.00	n/a
2 to 5 acres	13.00	n/a
5 to 10 acres	12.00	n/a
More than 10 acres	11.00	n/a
Unimproved Sites		
Less than 10 acres	10.00	n/a
10 to 100 acres	10.00	n/a
More than 100 acres	10.00	n/a

Composition of Absorption	
Warehouse/Distribution	70%
Manufacturing	25%
High Tech/R&D	5%
Rate of Construction	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Dollar Volume - Sales	
Warehouse/Distribution	Down 20%
Manufacturing	Down 20%
High Tech/R&D	Down 20%
Dollar Volume - Leases	
Warehouse/Distribution	Down 20%
Manufacturing	Down 20%
High Tech/R&D	Down 20%

Outlook

Sales Prices	
Warehouse/Distribution	Down 8%
Manufacturing	Down 8%
High Tech/R&D	Down 8%
Lease Prices	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Down 5%
Site Prices	Down 10%
Absorption	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 15%
Construction	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Dollar Volume - Sales	Down 10%
Dollar Volume - Leases	Down 10%

Demographics

		Rank
Population	8,710,996	1
Population Growth Rate	1.54%	
Unemployment Rate	6.10%	
Median Household Income	$34,891	21
Cost of Living Index	124.8	5

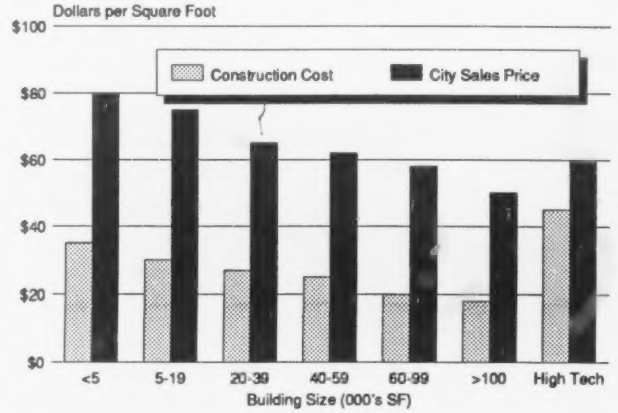
1990 Review

In 1990, demand for industrial facilities declined in the East Los Angelos market. Despite a steady local economy, companies have decided to forestall expansion plans until the national economy makes a turn for the better. The aerospace industry, which is heavily concentrated in southern California, reduced its needs. Overall activity slowed, pushing the vacancy rate up to 4.8 percent. Availabilities were characterized as moderately oversupplied at year-end. Foreign investment was off and the dollar volume of sales fell 20 percent.

1991 Forecast

Prices, which began to soften in 1990, will drop for all property types and undeveloped land. Speculative development will be less significant and will not recommence by 1992. The number of transactions will decrease. This market's inherent strengths will pull it through the anticipated slowdown in activity during 1991. The area's population is expanding, the local economy is steady, the area continues to receive attention from the Pacific Rim, and it is the major distribution center for the western U.S.

Construction Costs vs. Sales Prices
Los Angeles-East



Los Angeles-Orange County, California: Industrial

Orange County, California

Market Data

Inventory (sf)	Central City	Suburban
Total	-	159,500,000
Vacant	-	23,350,000
Vacancy Rates	-	14.6%
Under Construction	-	835,241
Net Absorption	-	8,549,125

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	86.00-112.00
5,000 to 19,999 sf	-	69.00-85.00
20,000 to 39,999 sf	-	65.00-74.00
40,000 to 59,999 sf	-	57.00-68.00
60,000 to 99,999 sf	-	55.00-65.00
More than 99,999 sf	-	48.00-55.00
High Tech/R&D	-	85.00-120.00

Construction Costs	
Less than 5,000 sf	28.00-31.00
5,000 to 19,999 sf	26.00-28.00
20,000 to 39,999 sf	22.00-25.00
40,000 to 59,999 sf	18.00-21.00
60,000 to 99,999 sf	16.00-17.00
More than 99,999 sf	14.00-15.00
High Tech/R&D	35.00-40.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	-	6.00-9.00
5,000 to 19,999 sf	-	4.80-6.80
20,000 to 39,999 sf	-	5.00-5.60
40,000 to 59,999 sf	-	4.40-5.05
60,000 to 99,999 sf	-	4.20-4.56
More than 99,999 sf	-	4.00-4.35
High Tech/R&D	-	5.50-15.00

Vacancy Indicators	
Less than 5,000 sf	Substantial Oversupply
5,000 to 19,999 sf	Substantial Oversupply
20,000 to 39,999 sf	Substantial Oversupply
40,000 to 59,999 sf	Substantial Oversupply
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Moderate Shortage
High Tech/R&D	Substantial Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	16.00-20.00
2 to 5 acres	-	14.00-20.00
5 to 10 acres	-	13.00-15.00
More than 10 acres	-	9.00-11.00
Unimproved Sites		
Less than 10 acres	-	10.00-12.00
10 to 100 acres	-	9.00-11.00
More than 100 acres	-	n/a

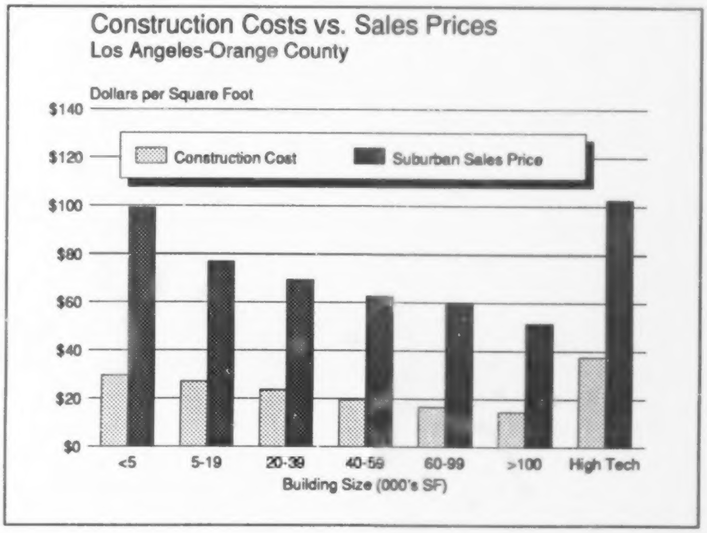
Composition of Absorption	
Warehouse/Distribution	55%
Manufacturing	10%
High Tech/R&D	35%
Rate of Construction	
Warehouse/Distribution	Down 15%
Manufacturing	Down 20%
High Tech/R&D	Down 10%
Dollar Volume - Sales	
Warehouse/Distribution	Down 25%
Manufacturing	Down 25%
High Tech/R&D	Down 20%
Dollar Volume - Leases	
Warehouse/Distribution	Down 15%
Manufacturing	Down 10%
High Tech/R&D	Down 10%

Outlook

Sales Prices	
Warehouse/Distribution	Down 5-8%
Manufacturing	Down 5-8%
High Tech/R&D	Down 5-8%
Lease Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 8-12%
Site Prices	Same
Absorption	
Warehouse/Distribution	Down 15%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Construction	
Warehouse/Distribution	Down 15-20%
Manufacturing	Down 15-20%
High Tech/R&D	Down 15-20%
Dollar Volume - Sales	Down 15-20%
Dollar Volume - Leases	Down 10-15%

Demographics

		Rank
Population	2,315,911	18
Population Growth Rate	1.83%	
Unemployment Rate	3.80%	
Median Household Income	$44,158	7
Cost of Living Index	128.8	3



1990 Review

The Orange County industrial market showed the effects of slowing rates of economic growth. Although net absorption was relatively strong for 1990, it was approximately four million sq. ft. down from 1989. New construction was half the 1989 level and site prices remained flat. SIOR's reporter labeled the market as generally oversupplied with the exception of larger spaces over 60,000 sq. ft. or greater. Spaces over 100,000 were noted as moderately undersupplied due to a continued lack of available sites.

1991 Forecast

1991 will be a sluggish year for Orange County. Defense cutbacks will cause a contraction in manufacturing employment as significant layoffs continue. Speculative industrial development will be limited in 1991 due to tight lending practices and a shortage of available sites. Prospective tenants and buyers will hold off transactions in expectation of further price declines by late 1991. SIOR's local reporter anticipates a 15 to 20 percent drop in transaction volume and a five to 12 percent decrease in sales and lease prices.

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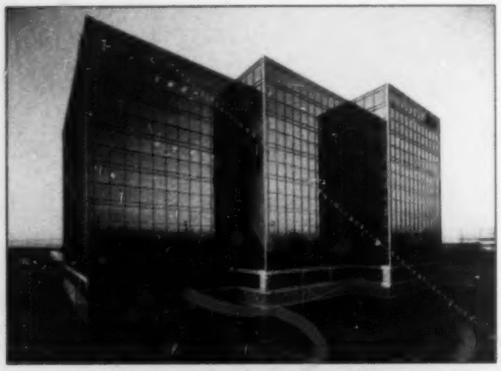
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LOS ANGELES-SAN BERNARDINO COUNTY, CALIFORNIA: INDUSTRIAL

San Bernardino/Riverside Metropolitan Area

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	-	45,000,000
Vacant	-	15,000,000
Vacancy Rates	-	33.3%
Under Construction	-	4,000,000
Net Absorption	-	10,000,000

Prime Source of Financing: n/a

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	58.00
5,000 to 19,999 sf	-	50.00
20,000 to 39,999 sf	-	43.00
40,000 to 59,999 sf	-	39.00
60,000 to 99,999 sf	-	35.00
More than 99,999 sf	-	31.00
High Tech/R&D	-	n/a

Construction Costs	
Less than 5,000 sf	25.00
5,000 to 19,999 sf	24.00
20,000 to 39,999 sf	21.00
40,000 to 59,999 sf	18.00
60,000 to 99,999 sf	15.00
More than 99,999 sf	13.50
High Tech/R&D	n/a

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	-	4.80
5,000 to 19,999 sf	-	4.08
20,000 to 39,999 sf	-	3.84
40,000 to 59,999 sf	-	3.72
60,000 to 99,999 sf	-	3.48
More than 99,999 sf	-	3.36
High Tech/R&D	-	7.50

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Substantial Oversupply
40,000 to 59,999 sf	Substantial Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Balanced Market
High Tech/R&D	Substantial Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	6.25
2 to 5 acres	-	5.75
5 to 10 acres	-	5.25
More than 10 acres	-	4.50
Unimproved Sites		
Less than 10 acres	-	3.00
10 to 100 acres	-	3.00
More than 100 acres	-	2.50

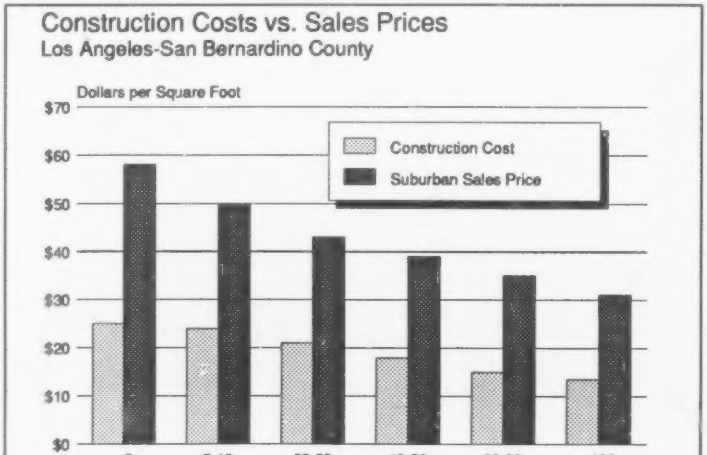
Composition of Absorption	
Warehouse/Distribution	75%
Manufacturing	22%
High Tech/R&D	3%
Rate of Construction	
Warehouse/Distribution	Down 20%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	Up 5%
High Tech/R&D	Down 5%

Outlook

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Down 10%
Absorption	
Warehouse/Distribution	Same
Manufacturing	Up 10%
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Dollar Volume - Sales	Up 5%
Dollar Volume - Leases	Up 5%

DEMOGRAPHICS

		Rank
Population	2,429,463	15
Population Growth Rate	4.54%	
Unemployment Rate	7.80%	
Median Household Income	$29,213	71
Cost of Living Index	n/a	n/a


Construction Costs vs. Sales Prices

Los Angeles-San Bernardino County

1990 REVIEW

San Bernardino's low cost of living and favorable cost of operating, relative to neighboring Los Angeles and Orange Counties, have attracted several industrial users to the area. Small manufacturing firms have started to have a greater impact on total absorption. Construction activity continued and build-to-suit projects had an increased share of the activity. The addition of four million sq. ft. of new product compounded the oversupply conditions. With one-third of all space vacant, users perceive a soft market for lease transactions.

1991 FORECAST

Although construction activity is expected to taper off 10 percent, residual space additions from 1990 construction starts will further impact the market. Look for rental concessions to increase and prices to ease. Ample land and resources provide this area with enormous growth potential for the future, but the market must first absorb its existing stock. With Southern California one of the weak regions of the nation during this recession, 1991 shapes up as a difficult year.

LOS ANGELES-SAN FERNANDO VALLEY, CALIFORNIA: INDUSTRIAL

Los Angeles-San Fernando Valley, California

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	138,000,000	36,000,000
Vacant	10,513,000	2,594,500
Vacancy Rates	7.6%	7.2%
Under Construction	1,500,000	600,000
Net Absorption	4,555,000	939,000

Prime Source of Financing: Insurance Companies, Owner Financing, SBA

Mortgage Money Supply: Moderate

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	n/a	n/a
5,000 to 19,999 sf	86.47	72.20
20,000 to 39,999 sf	90.67	70.00
40,000 to 59,999 sf	73.92	68.00
60,000 to 99,999 sf	85.85	58.54
More than 99,999 sf	75.00	60.00
High Tech/R&D	97.00	80.00

Construction Costs	
Less than 5,000 sf	32.00
5,000 to 19,999 sf	30.00
20,000 to 39,999 sf	25.00
40,000 to 59,999 sf	21.00
60,000 to 99,999 sf	19.00
More than 99,999 sf	17.00
High Tech/R&D	27.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	n/a	n/a
5,000 to 19,999 sf	6.73	6.02
20,000 to 39,999 sf	5.52	4.48
40,000 to 59,999 sf	4.86	4.92
60,000 to 99,999 sf	5.26	4.08
More than 99,999 sf	4.96	4.50
High Tech/R&D	11.40	9.60

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Substantial Oversupply
40,000 to 59,999 sf	Substantial Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Substantial Oversupply
High Tech/R&D	Moderate Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	25.00	12.00
2 to 5 acres	20.00	12.00
5 to 10 acres	20.00	12.00
More than 10 acres	n/a	n/a
Unimproved Sites		
Less than 10 acres	n/a	n/a
10 to 100 acres	n/a	n/a
More than 100 acres	n/a	n/a

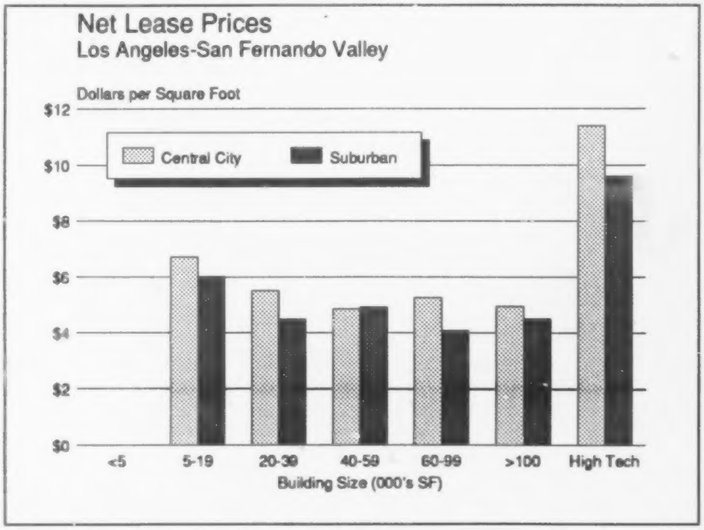
Composition of Absorption	
Warehouse/Distribution	45%
Manufacturing	45%
High Tech/R&D	10%
Rate of Construction	
Warehouse/Distribution	Down 75%
Manufacturing	Down 75%
High Tech/R&D	Down 50%
Dollar Volume - Sales	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Down 5%
Dollar Volume - Leases	
Warehouse/Distribution	Down 15%
Manufacturing	Down 15%
High Tech/R&D	Down 10%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Down 10%
Lease Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Site Prices	Down 10%
Absorption	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Down 5%
Construction	
Warehouse/Distribution	Down 50%
Manufacturing	Down 50%
High Tech/R&D	Down 90%
Dollar Volume - Sales	Down 5%
Dollar Volume - Leases	Down 10%

DEMOGRAPHICS

		Rank
Population	8,710,996	1
Population Growth Rate	1.54%	
Unemployment Rate	6.10%	
Median Household Income	$34,891	21
Cost of Living Index	124.8	5



1990 REVIEW

For the first time since World War II this market is experiencing price deflation. Rental rates were down for all property types except High Tech/R&D and concessions were greater, resulting in a drop in the dollar volume of lease transactions. Leasing levels stayed strong at 5.5 million sq. ft. but new space additions forced the vacancy rate up to 7.5 percent. The supply of available space among all properties exceeded demand. While there has been ample new construction, most of the building stock, particularly former aerospace and High Tech/R&D facilities, is mature and warrants retrofitting.

1991 FORECAST

Conditions will deteriorate again in 1991 as the market grapples with an excess of space. At the current level of absorption the existing supply could meet demand for the next one to four years, depending on the pace of tenant growth. Speculative developments are unlikely, despite the availability of financing.

Los Angeles-San Gabriel Valley, California: Industrial

San Gabriel Valley, Eastern Los Angeles County, California

Market Data

Inventory (sf)	Central City	Suburban
Total	-	45,000,000
Vacant	-	8,000,000
Vacancy Rates	-	17.8%
Under Construction	-	7,000,000
Net Absorption	-	8,550,000

Prime Source of Financing: Insurance Companies, Commercial Banks, Owner Financing

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	75.00
5,000 to 19,999 sf	-	60.00
20,000 to 39,999 sf	-	55.00
40,000 to 59,999 sf	-	45.00
60,000 to 99,999 sf	-	43.00
More than 99,999 sf	-	38.00-43.00
High Tech/R&D	-	-

Construction Costs	
Less than 5,000 sf	38.50
5,000 to 19,999 sf	33.00
20,000 to 39,999 sf	27.50
40,000 to 59,999 sf	20.90-24.20
60,000 to 99,999 sf	19.80
More than 99,999 sf	18.70
High Tech/R&D	n/a

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	-	6.60
5,000 to 19,999 sf	-	5.40
20,000 to 39,999 sf	-	4.20
40,000 to 59,999 sf	-	3.84
60,000 to 99,999 sf	-	3.48-3.84
More than 99,999 sf	-	3.24
High Tech/R&D	-	n/a

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Substantial Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Substantial Oversupply
60,000 to 99,999 sf	Substantial Oversupply
More than 99,999 sf	Substantial Oversupply
High Tech/R&D	Substantial Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	9.50
2 to 5 acres	-	9.50
5 to 10 acres	-	9.00
More than 10 acres	-	7.50
Unimproved Sites		
Less than 10 acres	-	6.00
10 to 100 acres	-	5.50
More than 100 acres	-	4.50

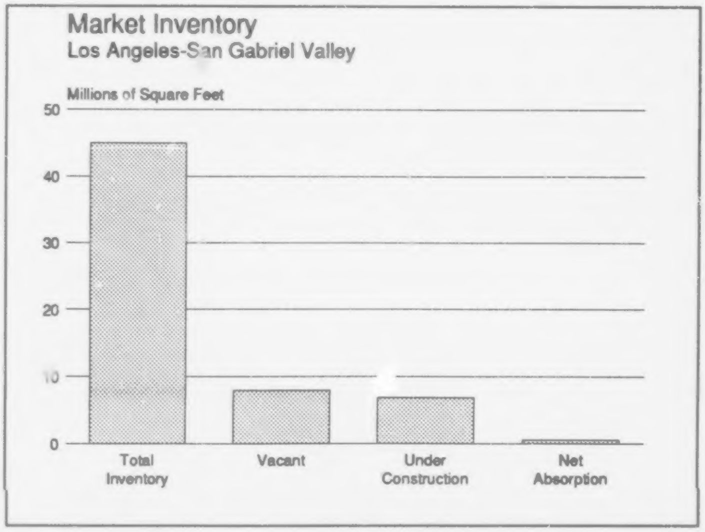
Composition of Absorption	
Warehouse/Distribution	75%
Manufacturing	15%
High Tech/R&D	10%
Rate of Construction	
Warehouse/Distribution	Up 75%
Manufacturing	Up 75%
High Tech/R&D	Up 75%
Dollar Volume - Sales	
Warehouse/Distribution	Down 50%
Manufacturing	Down 50%
High Tech/R&D	Down 60%
Dollar Volume - Leases	
Warehouse/Distribution	Down 25%
Manufacturing	Down 35%
High Tech/R&D	Down

Outlook

Sales Prices	
Warehouse/Distribution	Down 18%
Manufacturing	Down 20%
High Tech/R&D	Down
Lease Prices	
Warehouse/Distribution	Down 15%
Manufacturing	Down 20%
High Tech/R&D	Down
Site Prices	n/a
Absorption	
Warehouse/Distribution	Down 20%
Manufacturing	Down 20%
High Tech/R&D	Down
Construction	
Warehouse/Distribution	Down 35%
Manufacturing	Down 35%
High Tech/R&D	Down
Dollar Volume - Sales	Down 30%
Dollar Volume - Leases	Down 30%

Demographics

		Rank
Population	8,710,996	1
Population Growth Rate	1.54%	
Unemployment Rate	6.10%	
Median Household Income	$34,891	21
Cost of Living Index	124.8	5


Market Inventory
Los Angeles-San Gabriel Valley

1990 Review

Exceptionally strong leasing activity resulted in the absorption of 550,000 sq. ft. and brought the vacancy rate down slightly. Still, the market was oversupplied at year-end as the vacancy rate was 17.8 percent. Purchases have ground to a halt, cutting the dollar volume of sale transactions in half. The market specializes in warehouse/distribution services which accounted for 75 percent of all leasing activity.

1991 Forecast

This market's inventory will swell by an estimated seven million sq. ft. upon the completion of projects underway at year-end 1990. Financing constraints and oversupply conditions should slow the pace of construction in the upcoming cycle. Most indicators point to a dimmer year for local owners and builders.

Los Angeles-South Bay, California: Industrial

Los Angeles-South Bay, California

Market Data

Inventory (sf)	Central City	Suburban
Total	-	172,000,000
Vacant	-	13,760,000
Vacancy Rates	-	8.0%
Under Construction	-	n/a
Net Absorption	-	n/a

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	n/a
5,000 to 19,999 sf	-	89.00
20,000 to 39,999 sf	-	80.00
40,000 to 59,999 sf	-	73.00
60,000 to 99,999 sf	-	62.00
More than 99,999 sf	-	50.00
High Tech/R&D	-	n/a

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	-	7.08
5,000 to 19,999 sf	-	7.80
20,000 to 39,999 sf	-	6.00
40,000 to 59,999 sf	-	5.52
60,000 to 99,999 sf	-	5.16
More than 99,999 sf	-	4.44
High Tech/R&D	-	n/a

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	n/a
2 to 5 acres	-	n/a
5 to 10 acres	-	n/a
More than 10 acres	-	n/a
Unimproved Sites		
Less than 10 acres	-	n/a
10 to 100 acres	-	n/a
More than 100 acres	-	n/a

Prime Source of Financing: Insurance Companies, Owner Financing, Credit Companies

Mortgage Money Supply: Tight

Construction Costs	
Less than 5,000 sf	36.00
5,000 to 19,999 sf	32.00
20,000 to 39,999 sf	27.00
40,000 to 59,999 sf	22.00
60,000 to 99,999 sf	19.00
More than 99,999 sf	16.00
High Tech/R&D	58.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Substantial Oversupply
40,000 to 59,999 sf	Substantial Oversupply
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Moderate Oversupply
High Tech/R&D	Substantial Oversupply

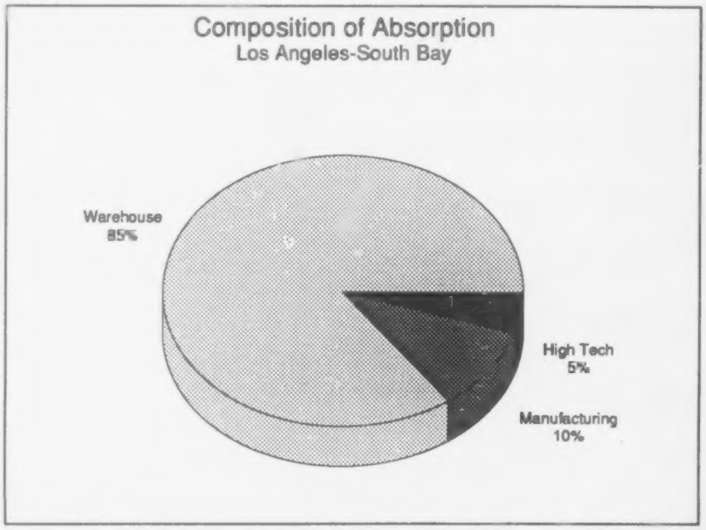
Composition of Absorption	
Warehouse/Distribution	85%
Manufacturing	10%
High Tech/R&D	5%
Rate of Construction	
Warehouse/Distribution	Down 75%
Manufacturing	Down 75%
High Tech/R&D	Down 100%
Dollar Volume - Sales	
Warehouse/Distribution	Down 2%
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same

Outlook

Sales Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 20%
Lease Prices	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Down 10%
Site Prices	Down 10%
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Down 75%
Manufacturing	Down 75%
High Tech/R&D	Down 100%
Dollar Volume - Sales	Down 10%
Dollar Volume - Leases	Down 10%

Demographics

		Rank
Population	8,710,996	1
Population Growth Rate	1.54%	
Unemployment Rate	6.10%	
Median Household Income	$34,891	21
Cost of Living Index	124.8	5



1990 Review

Respectable leasing and sales levels brought the inventory of available space down to eight percent of the market. Sales prices were driven up as the number of purchase opportunities was reduced. Demand from companies with ties to the Pacific Rim was noticeably slower this year. Also, consolidations occurred within the aerospace industry. Operators quickly adopted a cautious approach to real estate commitments in 1990 as recession loomed.

1991 Forecast

The South Bay area is bracing itself for a slowdown in 1991 as users become more reticent to make commitments. Foreign investment will continue to shrink, and many manufacturing firms are moving out of the area to Mexico or to neighboring states to reduce costs. The strongest prospect for growth is linked to the Port-related activities. Expect some speculative development near the Port or close to major transportation corridors once real estate lending conditions return to normal.

Los Angeles-West, California: Industrial

Los Angeles-West, California

Market Data

Inventory (sf)	Central City	Suburban
Total	n/a	-
Vacant	n/a	-
Vacancy Rates	n/a	-
Under Construction	n/a	-
Net Absorption	n/a	-

Prime Source of Financing: Insurance Companies, Commercial Banks, Pension Funds, Owner Financing

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	80.00-130.00	-
5,000 to 19,999 sf	80.00-115.00	-
20,000 to 39,999 sf	80.00-115.00	-
40,000 to 59,999 sf	80.00-100.00	-
60,000 to 99,999 sf	80.00-100.00	-
More than 99,999 sf	80.00-90.00	-
High Tech/R&D	100.00	-

Construction Costs	
Less than 5,000 sf	40.00-50.00
5,000 to 19,999 sf	35.00-40.00
20,000 to 39,999 sf	30.00-40.00
40,000 to 59,999 sf	25.00-35.00
60,000 to 99,999 sf	25.00-35.00
More than 99,999 sf	25.00-30.00
High Tech/R&D	30.00-40.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	6.00-13.00	-
5,000 to 19,999 sf	6.00-13.00	-
20,000 to 39,999 sf	6.00-12.00	-
40,000 to 59,999 sf	6.00-9.60	-
60,000 to 99,999 sf	6.00-9.60	-
More than 99,999 sf	6.00-9.60	-
High Tech/R&D	9.60-13.00	-

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Balanced Market
High Tech/R&D	Moderate Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	20.00-50.00	-
2 to 5 acres	20.00-50.00	-
5 to 10 acres	20.00-50.00	-
More than 10 acres	20.00-50.00	-
Unimproved Sites		
Less than 10 acres	20.00-50.00	-
10 to 100 acres	20.00-50.00	-
More than 100 acres	n/a	-

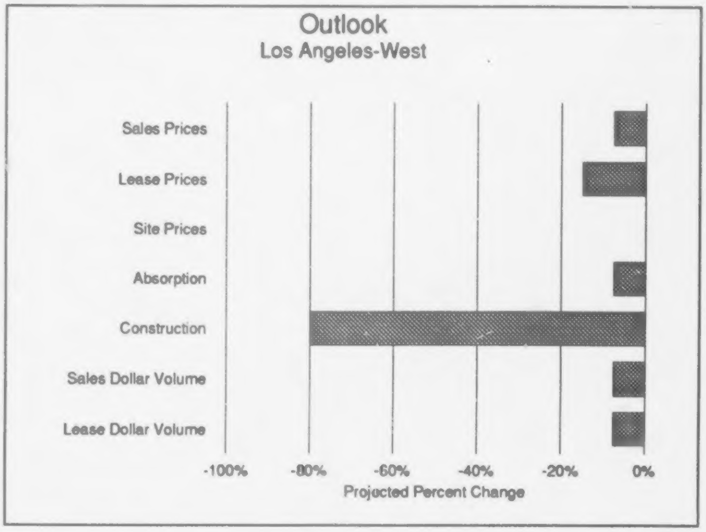
Composition of Absorption	
Warehouse/Distribution	35%
Manufacturing	15%
High Tech/R&D	50%
Rate of Construction	
Warehouse/Distribution	Down 80%
Manufacturing	Down 90%
High Tech/R&D	Down 80%
Dollar Volume - Sales	
Warehouse/Distribution	Down 5-10%
Manufacturing	Down 5-10%
High Tech/R&D	Down 5-10%
Dollar Volume - Leases	
Warehouse/Distribution	Down 10-15%
Manufacturing	Down 10-15%
High Tech/R&D	Down 10-15%

Outlook

Sales Prices	
Warehouse/Distribution	Down 5-10%
Manufacturing	Down 5-10%
High Tech/R&D	Down 5-10%
Lease Prices	
Warehouse/Distribution	Down 10-20%
Manufacturing	Down 10-20%
High Tech/R&D	Down 10-20%
Site Prices	Same
Absorption	
Warehouse/Distribution	Down 5-10%
Manufacturing	Down 5-10%
High Tech/R&D	Down 5-10%
Construction	
Warehouse/Distribution	Down 80%
Manufacturing	Down 80%
High Tech/R&D	Down 80%
Dollar Volume - Sales	Down 5-10%
Dollar Volume - Leases	Down 5-10%

Demographics

		Rank
Population	8,710,996	1
Population Growth Rate	1.54%	
Unemployment Rate	6.10%	
Median Household Income	$34,891	21
Cost of Living Index	124.8	5



1990 Review

This market struggled last year. Most companies reduced their real estate needs in the face of slower business. The larger facilities placed on the market as a result of cutbacks may not prove adaptable for use among multiple, smaller tenants. The High Tech/R&D sector of the market picked up some of the slack caused by departing manufacturing companies.

1991 Forecast

This should be a slow-motion market in 1991. Building prices will drop in response to diminished leasing activity and vacancies will rise. Construction will be stalled for all but build-to-suit projects. Lenders will pull back, restricting investment to the all-cash institutional buyer.

Louisville, Kentucky: Industrial

Louisville, Kentucky

Market Data

Inventory (sf)	Central City	Suburban
Total	n/a	n/a
Vacant	n/a	n/a
Vacancy Rates	n/a	n/a
Under Construction	n/a	n/a
Net Absorption	n/a	n/a

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	27.50	26.00
5,000 to 19,999 sf	25.00	24.00
20,000 to 39,999 sf	22.00	20.00
40,000 to 59,999 sf	20.00	20.00
60,000 to 99,999 sf	20.00	20.00
More than 99,999 sf	20.00	20.00
High Tech/R&D	-	-

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	3.75	3.75
5,000 to 19,999 sf	3.75	3.50
20,000 to 39,999 sf	3.50	3.50
40,000 to 59,999 sf	3.50	3.25
60,000 to 99,999 sf	3.25	3.25
More than 99,999 sf	3.25	3.25
High Tech/R&D	-	7.50

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	2.00	1.50
2 to 5 acres	1.75	1.50
5 to 10 acres	1.50	1.25
More than 10 acres	1.50	1.25
Unimproved Sites		
Less than 10 acres	n/a	0.80
10 to 100 acres	n/a	0.70
More than 100 acres	n/a	0.50

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Moderate

Construction Costs	
Less than 5,000 sf	30.00
5,000 to 19,999 sf	25.00
20,000 to 39,999 sf	22.00
40,000 to 59,999 sf	20.00
60,000 to 99,999 sf	20.00
More than 99,999 sf	20.00
High Tech/R&D	45.00

Vacancy Indicators	
Less than 5,000 sf	Substantial Shortage
5,000 to 19,999 sf	Substantial Shortage
20,000 to 39,999 sf	Substantial Shortage
40,000 to 59,999 sf	Substantial Shortage
60,000 to 99,999 sf	Substantial Shortage
More than 99,999 sf	Substantial Shortage
High Tech/R&D	Moderate Shortage

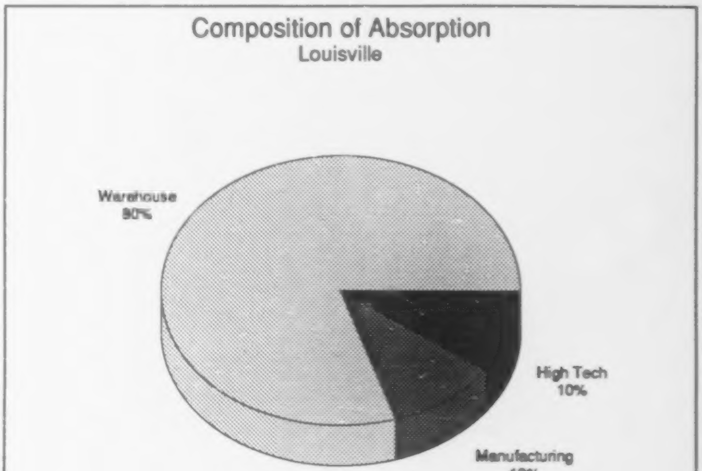
Composition of Absorption	
Warehouse/Distribution	80%
Manufacturing	10%
High Tech/R&D	10%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same

Outlook

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Down 10%
Dollar Volume - Leases	Down 10%

Demographics

		Rank
Population	1,028,432	45
Population Growth Rate	0.73%	
Unemployment Rate	5.70%	
Median Household Income	$27,184	84
Cost of Living Index	94.6	65



1990 Review

Louisville's economy is driven by its service sector whose demand for industrial warehouse and distribution space sustains the local market. Among the largest users are the United Parcel Service, Humana, and various credit processing operations. Little speculative construction activity and moderate demand levels have kept prices competitive and supply levels tight for all property types. Consistent lease and sale volumes are evidence that this is a viable and healthy market.

1991 Forecast

Prospects are good for the Louisville industrial market in 1991 and beyond. Large regional warehouses which are under construction for Circuit City and Yokohama Tire will be operational in 1991. Developers are busy with other build-to-suit opportunities favored by cautious lenders. Prices will firm as demand levels stay healthy and the available inventory remains fixed in the absence of speculative development.

MARIN AND SONOMA COUNTIES, CALIFORNIA: INDUSTRIAL

Marin and Sonoma Counties, California

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	-	23,600,000
Vacant	-	1,725,000
Vacancy Rates	-	7.3%
Under Construction	-	1,150,000
Net Absorption	-	840,000

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Moderate

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	80.00
5,000 to 19,999 sf	-	70.00
20,000 to 39,999 sf	-	65.00
40,000 to 59,999 sf	-	n/a
60,000 to 99,999 sf	-	n/a
More than 99,999 sf	-	35.00
High Tech/R&D	-	n/a

Construction Costs	
Less than 5,000 sf	n/a
5,000 to 19,999 sf	35.00
20,000 to 39,999 sf	n/a
40,000 to 59,999 sf	30.00
60,000 to 99,999 sf	n/a
More than 99,999 sf	25.00
High Tech/R&D	60.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	-	7.20
5,000 to 19,999 sf	-	6.60
20,000 to 39,999 sf	-	5.40
40,000 to 59,999 sf	-	4.20
60,000 to 99,999 sf	-	3.60
More than 99,999 sf	-	n/a
High Tech/R&D	-	12.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Shortage
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Substantial Shortage
40,000 to 59,999 sf	Substantial Shortage
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Moderate Shortage
High Tech/R&D	Moderate Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	5.50
2 to 5 acres	-	5.25
5 to 10 acres	-	5.00
More than 10 acres	-	4.25
Unimproved Sites		
Less than 10 acres	-	4.00
10 to 100 acres	-	2.50
More than 100 acres	-	n/a

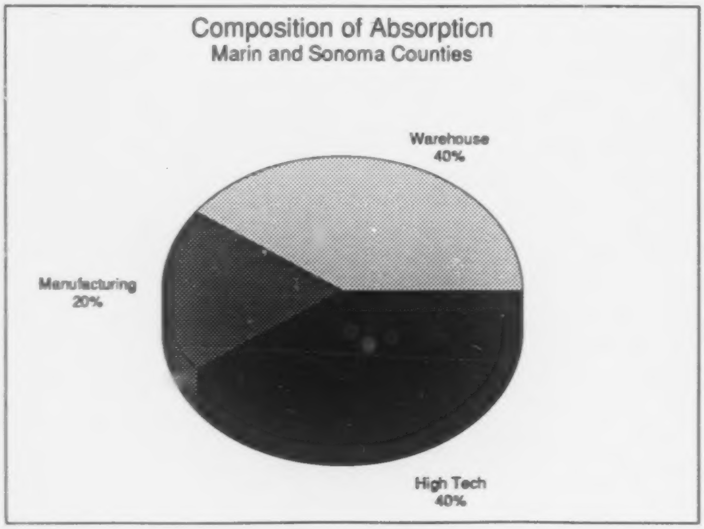
Composition of Absorption	
Warehouse/Distribution	40%
Manufacturing	20%
High Tech/R&D	40%
Rate of Construction	
Warehouse/Distribution	Down 60%
Manufacturing	Down 60%
High Tech/R&D	Down 80%
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same

OUTLOOK

Sales Prices	
Warehouse/Distribution	Up 10%
Manufacturing	Up 10%
High Tech/R&D	Down 5%
Lease Prices	
Warehouse/Distribution	Up
Manufacturing	Up
High Tech/R&D	Same
Site Prices	Up
Absorption	
Warehouse/Distribution	Up
Manufacturing	Up
High Tech/R&D	Down
Construction	
Warehouse/Distribution	Down 30%
Manufacturing	Down 30%
High Tech/R&D	Down 30%
Dollar Volume - Sales	Same
Dollar Volume - Leases	Up

DEMOGRAPHICS

		Rank
Population	352,360	99
Population Growth Rate	1.63%	
Unemployment Rate	4.30%	
Median Household Income	$31,941	41
Cost of Living Index	n/a	n/a



1990 REVIEW

The absorption of 840,000 sq. ft. brought the vacancy rate down to 7.3 percent at year-end. Expanding business sectors included computer software and electronics. Here, as elsewhere in the Bay Area, the rebound of the U.S. technology sector is the principal spur to real estate market recovery. As Marin County has relatively few availabilities, most businesses moved north to Sonoma expanding their operations. Prices remained firm and landlords were not forced to give many rental concessions.

1991 FORECAST

Prices and rents are expected to rise among all property types except High Tech/R&D. Demand should continue steadily in the healthy Northern California economy, although SIOR's reporters did indicate that it had slowed towards year-end 1990. Commercial banks are moderately open to lending, but historically speculative construction has not been a large factor in this market. A high cost of living and regional competition for high tech producers may increase pressure on this market over the early 1990s.

MELBOURNE/SOUTH BREVARD COUNTY, FLORIDA: INDUSTRIAL

Melbourne/South Brevard County, Florida

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	-	3,420,685
Vacant	-	637,371
Vacancy Rates	-	18.6%
Under Construction	-	56,000
Net Absorption	-	348,198

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	28.00-37.00
5,000 to 19,999 sf	-	28.00-33.00
20,000 to 39,999 sf	-	25.00-28.00
40,000 to 59,999 sf	-	21.00-28.00
60,000 to 99,999 sf	-	21.00-28.00
More than 99,999 sf	-	21.00-28.00
High Tech/R&D	-	42.00-46.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	-	3.40-5.70
5,000 to 19,999 sf	-	3.30-4.80
20,000 to 39,999 sf	-	3.35-4.80
40,000 to 59,999 sf	-	3.35-4.80
60,000 to 99,999 sf	-	3.35-4.80
More than 99,999 sf	-	3.35-4.80
High Tech/R&D	-	4.60-6.50

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	0.60-1.30
2 to 5 acres	-	0.60-1.30
5 to 10 acres	-	0.60-1.30
More than 10 acres	-	0.46-0.75
Unimproved Sites		
Less than 10 acres	-	0.50-0.75
10 to 100 acres	-	0.45-0.75
More than 100 acres	-	0.40-0.65

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Up 5%
Manufacturing	Up 5%
High Tech/R&D	Same
Site Prices	Down 5%
Absorption	
Warehouse/Distribution	Same
Manufacturing	Up 5%
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	442,133	87
Population Growth Rate	4.94%	
Unemployment Rate	5.70%	
Median Household Income	$31,573	46
Cost of Living Index	n/a	n/a

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Tight

Construction Costs	
Less than 5,000 sf	28.00
5,000 to 19,999 sf	26.00
20,000 to 39,999 sf	26.00
40,000 to 59,999 sf	26.00
60,000 to 99,999 sf	24.00
More than 99,999 sf	24.00
High Tech/R&D	38.00-46.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Shortage
5,000 to 19,999 sf	Balanced Market
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Moderate Shortage
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Balanced Market
High Tech/R&D	Balanced Market

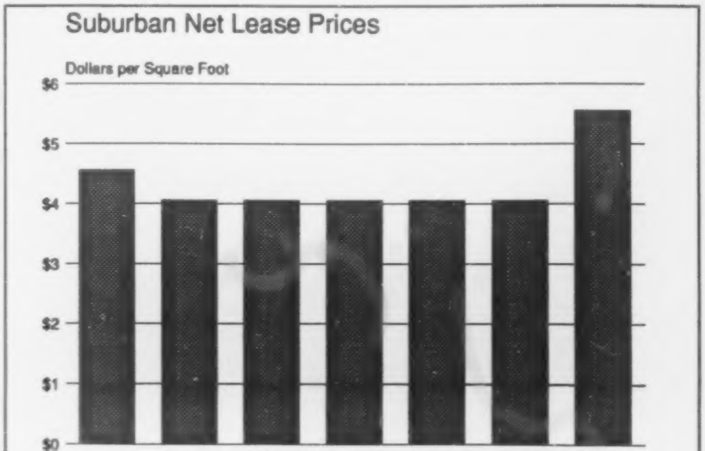
Composition of Absorption	
Warehouse/Distribution	40%
Manufacturing	40%
High Tech/R&D	20%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Up 10%
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Up 10%
Manufacturing	Same
High Tech/R&D	Same

1990 REVIEW

A robust local and regional economy helped encourage industrial related growth in 1990. Vacancies were reduced from nearly 24 percent to 18.6 percent at year-end, aided by the absorption of 348,198 sq. ft. Companies within the market continued to expand, backfilling existing space. The market is moving away from speculative development toward more financially sound ventures such as build-to-suits. Pre-leasing has become paramount in any new project.

1991 FORECAST

Strong demand is expected in 1991 reducing the amount of available space. Availabilities will be scarce for tenants requiring space in excess of 40,000 sq. ft., while those seeking smaller units will have more choices. Prices should rise as the market tightens in the view of SIOR's local researcher. Development will focus on build-to-suit projects. Job opportunities will be expanded by the anticipated growth of several major employers.



MEMPHIS, TENNESSEE: INDUSTRIAL

Memphis, Tennessee

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	40,500,000	61,680,000
Vacant	5,900,000	4,935,000
Vacancy Rates	14.6%	8.0%
Under Construction	0	1,180,000
Net Absorption	-3,750,000	-1,930,000

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	15.00	30.00
5,000 to 19,999 sf	12.00	28.00
20,000 to 39,999 sf	12.00	26.00
40,000 to 59,999 sf	12.00	24.00
60,000 to 99,999 sf	11.00	22.00
More than 99,999 sf	10.00	20.00
High Tech/R&D	n/a	70.00

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	3.00	4.00
5,000 to 19,999 sf	2.50	2.75
20,000 to 39,999 sf	2.15	2.60
40,000 to 59,999 sf	2.15	2.50
60,000 to 99,999 sf	1.95	2.35
More than 99,999 sf	1.70	2.25
High Tech/R&D	n/a	7.50

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	0.75-1.50	2.25
2 to 5 acres	0.75-1.25	2.00-2.50
5 to 10 acres	0.75-1.25	1.75-2.25
More than 10 acres	0.60-0.90	1.00-1.75
Unimproved Sites		
Less than 10 acres	0.40-0.90	0.75-1.00
10 to 100 acres	0.40-0.70	0.55-0.75
More than 100 acres	n/a	0.45-0.55

Prime Source of Financing: Insurance Companies, Pension Funds

Mortgage Money Supply: Tight

Construction Costs	
Less than 5,000 sf	24.00
5,000 to 19,999 sf	23.00
20,000 to 39,999 sf	21.00
40,000 to 59,999 sf	18.00
60,000 to 99,999 sf	16.00
More than 99,999 sf	15.00
High Tech/R&D	30.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Shortage
5,000 to 19,999 sf	Balanced Market
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Moderate Shortage
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Substantial Oversupply
High Tech/R&D	Moderate Oversupply

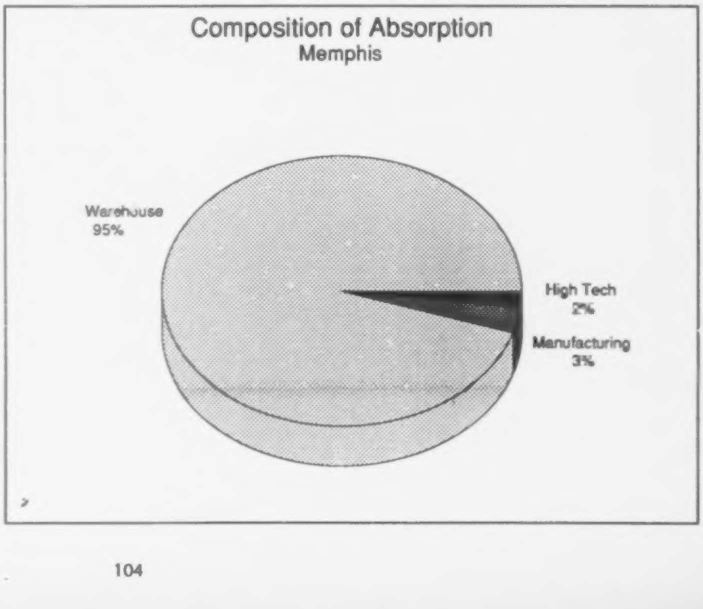
Composition of Absorption	
Warehouse/Distribution	95%
Manufacturing	3%
High Tech/R&D	2%
Rate of Construction	
Warehouse/Distribution	Down 25%
Manufacturing	Same
High Tech/R&D	Down 25%
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Down 10%
Manufacturing	Same
High Tech/R&D	Same

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Down 10%
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Down 5%
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Down 10%
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Down 10%
Dollar Volume - Leases	Down 10%

DEMOGRAPHICS

		Rank
Population	980,557	50
Population Growth Rate	0.71%	
Unemployment Rate	4.80%	
Median Household Income	$26,396	88
Cost of Living Index	93.6	70



1990 REVIEW

Memphis' industrial market experienced negative net absorption of almost six million sq. ft. in 1990, pushing vacancy rates up from 3.9 percent in 1989 to 10.6 percent. Several large users moved from leased space to owner occupied facilities and a public warehousing company which occupied over one million sq. ft. entered bankruptcy. Many of the facilities vacated are older, obsolete structures in undesirable locations which are difficult to lease at market rates. Demand for modern, well-equipped industrial space continued to be strong, however, and growth occurred primarily through built-to-suit developments for expansion purposes.

1991 FORECAST

Memphis' economy will benefit from its increasing importance as a national distribution center and thriving tourist industry. The industrial market will see less than 250,000 sq. ft. of speculative construction in 1991 as a result of tight financing. Development will occur from build-to-suit facilities and major renovations. Transaction volume is estimated to fall 10 percent as older, obsolete facilities will be very difficult to lease or sell.

MIAMI, FLORIDA: INDUSTRIAL

Miami, Florida

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	61,700,000	53,000,000
Vacant	2,500,000	4,000,000
Vacancy Rates	4.1%	7.5%
Under Construction	100,000	500,000
Net Absorption	-300,000	-1,000,000

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	25.00	42.00
5,000 to 19,999 sf	20.00	36.00
20,000 to 39,999 sf	17.00	33.00
40,000 to 59,999 sf	15.00	31.00
60,000 to 99,999 sf	14.00	29.00
More than 99,999 sf	14.00	27.00
High Tech/R&D	-	45.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	2.75	5.00
5,000 to 19,999 sf	2.60	4.50
20,000 to 39,999 sf	2.50	4.25
40,000 to 59,999 sf	2.25	4.00
60,000 to 99,999 sf	2.00	3.75
More than 99,999 sf	1.90	3.50
High Tech/R&D	-	7.00

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	3.00	6.00
2 to 5 acres	2.50	5.00
5 to 10 acres	2.50	4.50
More than 10 acres	-	4.00
Unimproved Sites		
Less than 10 acres	-	2.75
10 to 100 acres	-	1.50
More than 100 acres	-	-

Prime Source of Financing: Commercial Banks, Owner Financing

Mortgage Money Supply: Tight

Construction Costs	
Less than 5,000 sf	29.00
5,000 to 19,999 sf	27.00
20,000 to 39,999 sf	24.00
40,000 to 59,999 sf	22.00
60,000 to 99,999 sf	20.00
More than 99,999 sf	19.00
High Tech/R&D	31.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Moderate Shortage
High Tech/R&D	Substantial Oversupply

Composition of Absorption	
Warehouse/Distribution	75%
Manufacturing	20%
High Tech/R&D	5%
Rate of Construction	
Warehouse/Distribution	Down 40%
Manufacturing	Down 25%
High Tech/R&D	Down 60%
Dollar Volume - Sales	
Warehouse/Distribution	Down 25%
Manufacturing	Down 25%
High Tech/R&D	Down 25%
Dollar Volume - Leases	
Warehouse/Distribution	Down 20%
Manufacturing	Down 20%
High Tech/R&D	Down 35%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 15%
Lease Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Site Prices	Down 25%
Absorption	
Warehouse/Distribution	Down 15%
Manufacturing	Down 10%
High Tech/R&D	Down 15%
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Down 25%
Dollar Volume - Leases	Down 25%

DEMOGRAPHICS

		Rank
Population	1,917,277	24
Population Growth Rate	1.66%	
Unemployment Rate	7.00%	
Median Household Income	$28,263	79
Cost of Living Index	111.7	12

1990 REVIEW

Negative net absorption caused vacancy rates in Miami to increase two percentage points to 5.7 percent, still a reasonably balanced level at year-end 1990. Users were generally cautious regarding expansion with some tenants cutting back on space requirements. The poor state of the economy has caused an increased incidence of bankruptcies. Leasing activity has been sporadic. Sales activity for the year reflected the difficult capital markets. Sales and lease prices dropped off from 1989 levels.

1991 FORECAST

Miami will again lag Florida's other metropolitan areas in terms of economic growth. This is due in part to Miami's declining attraction as a place to live and work. Unless financing conditions improve, Miami will see speculative construction remain at minimal levels. Foreign investment is unlikely to increase, although Miami continues to be an important hub of Caribbean and South American commerce. With lease prices expected to decline by 10 percent, tenants will seek to renegotiate their leases with longer terms and more favorable purchase options.

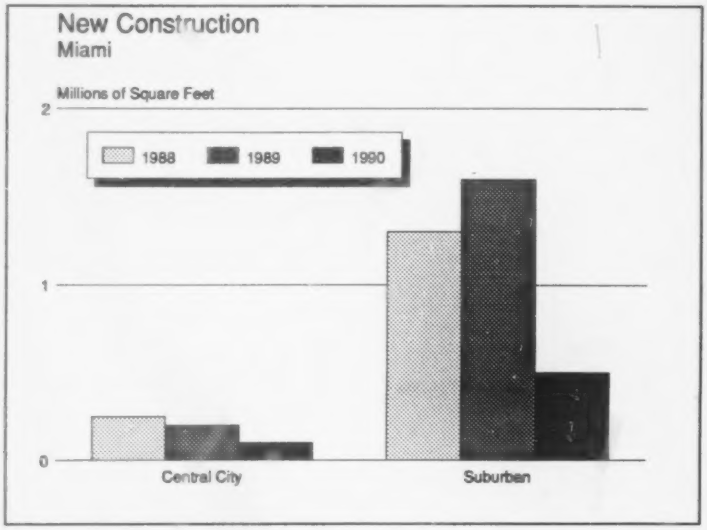


Photo courtesy of Greater Milwaukee Convention & Visitors Bureau

MILWAUKEE, WISCONSIN: INDUSTRIAL

Milwaukee, Wisconsin

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	87,550,589	99,751,346
Vacant	5,836,379	5,212,675
Vacancy Rates	6.7%	5.2%
Under Construction	n/a	n/a
Net Absorption	n/a	n/a

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	5.00-10.00	30.00-32.00
5,000 to 19,999 sf	5.00-10.00	28.00-30.00
20,000 to 39,999 sf	5.00-7.00	25.00-30.00
40,000 to 59,999 sf	5.00-7.00	22.00-28.00
60,000 to 99,999 sf	3.00-5.00	17.00-25.00
More than 99,999 sf	1.50-5.00	10.00-15.00
High Tech/R&D	n/a	n/a

Construction Costs	
Less than 5,000 sf	30.00-35.00
5,000 to 19,999 sf	30.00-35.00
20,000 to 39,999 sf	25.00-30.00
40,000 to 59,999 sf	20.00-25.00
60,000 to 99,999 sf	18.00-22.00
More than 99,999 sf	18.00-22.00
High Tech/R&D	50.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	2.00-2.25	4.25-4.75
5,000 to 19,999 sf	1.75-2.00	3.50-4.00
20,000 to 39,999 sf	1.25-2.00	3.25-3.50
40,000 to 59,999 sf	1.00-1.50	2.50-3.00
60,000 to 99,999 sf	1.00-1.50	2.00-2.50
More than 99,999 sf	0.75-1.00	1.75-2.50
High Tech/R&D	n/a	n/a

Vacancy Indicators	
Less than 5,000 sf	Moderate Shortage
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Moderate Shortage
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Moderate Shortage
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	0.92	0.92-1.98
2 to 5 acres	0.92	0.92-1.98
5 to 10 acres	0.92	0.92-1.28
More than 10 acres	0.75	0.92-1.28
Unimproved Sites		
Less than 10 acres	n/a	0.25-0.60
10 to 100 acres	n/a	0.19-0.25
More than 100 acres	n/a	0.19-0.25

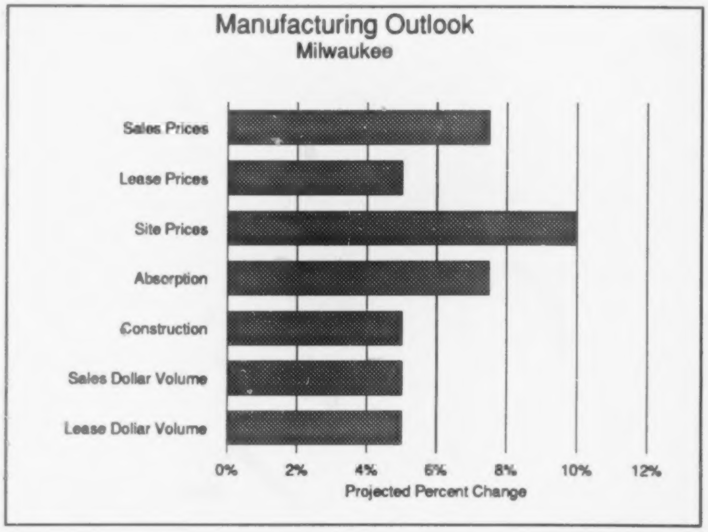
Composition of Absorption	
Warehouse/Distribution	55%
Manufacturing	45%
High Tech/R&D	0%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Up 10%
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Up 5-10%
High Tech/R&D	Down 5-10%
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Up 5%
High Tech/R&D	Down 5-10%
Site Prices	Up 10%
Absorption	
Warehouse/Distribution	Up 5-10%
Manufacturing	Up 5-10%
High Tech/R&D	Down 5-10%
Construction	
Warehouse/Distribution	Up 5%
Manufacturing	Up 5%
High Tech/R&D	Down 5%
Dollar Volume - Sales	Up 5%
Dollar Volume - Leases	Up 5%

DEMOGRAPHICS

		Rank
Population	1,400,995	35
Population Growth Rate	0.03%	[illegible]
Unemployment Rate	3.50%	[illegible]
Median Household Income	$32,870	[illegible]
Cost of Living Index	102.5	30



1990 REVIEW

Milwaukee's industrial market has relied heavily on its manufacturing base. Fabricated metals and electrical and non-electrical machinery dominate this sector. Demand for these goods has diminished and the high cost of labor has hurt their competitiveness. Demand for modern, single story structures has been steady and there is equilibrium between the supply of such buildings and interest in them. Owner occupied facilities and municipally sponsored industrial parks offering sites at low prices have drawn a large portion of the market's interest.

1991 FORECAST

While not spectacular, the outlook for Milwaukee is stable. Absorption is expected to remain split between manufacturing and warehouse space and to increase from five to 10 percent over 1990's level. Lease and sales prices for manufacturing will rise slightly and the dollar volume of transactions will probably increase. Speculative construction is not a large component of this market but there should be modest space additions in 1991.

MINNEAPOLIS/ST. PAUL, MINNESOTA: INDUSTRIAL

Minneapolis / St. Paul, Minnesota

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	76,150,000	112,000,000
Vacant	6,092,000	10,080,000
Vacancy Rates	8.0%	9.0%
Under Construction	100,000	1,500,000
Net Absorption	250,000	2,250,000

Prime Source of Financing: Insurance Companies, Commercial Banks, Investor's Equity

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	-
5,000 to 19,999 sf	18.00-24.00	19.00-33.00
20,000 to 39,999 sf	16.00-24.00	19.00-33.00
40,000 to 59,999 sf	13.00-23.00	18.00-31.00
60,000 to 99,999 sf	11.00-22.00	15.00-22.00
More than 99,999 sf	10.00-20.00	14.00-22.00
High Tech/R&D	25.00-40.00	25.00-40.00

Construction Costs	
Less than 5,000 sf	45.00
5,000 to 19,999 sf	30.00
20,000 to 39,999 sf	26.00
40,000 to 59,999 sf	23.00
60,000 to 99,999 sf	21.00
More than 99,999 sf	20.00
High Tech/R&D	50.00-65.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	3.75	5.75
5,000 to 19,999 sf	3.25	5.50
20,000 to 39,999 sf	3.00	5.25
40,000 to 59,999 sf	2.75	5.00
60,000 to 99,999 sf	2.60	4.50
More than 99,999 sf	2.30	8.00
High Tech/R&D	5.00	6.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Shortage
5,000 to 19,999 sf	Balanced Market
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Moderate Shortage
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Moderate Shortage
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	3.00-5.00	1.50-3.00
2 to 5 acres	3.00	1.50-3.00
5 to 10 acres	-	1.25-2.00
More than 10 acres	-	1.00-2.00
Unimproved Sites		
Less than 10 acres	-	1.00
10 to 100 acres	-	0.25
More than 100 acres	-	0.20

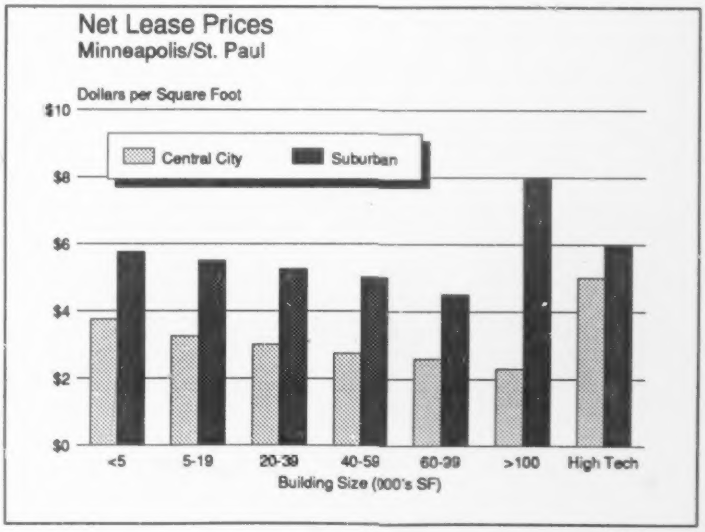
Composition of Absorption	
Warehouse/Distribution	40%
Manufacturing	40%
High Tech/R&D	20%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Down 5%
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	Down 5%
High Tech/R&D	Down 8%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Down 5-10%
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Down 5%
Dollar Volume - Leases	Down 5%

DEMOGRAPHICS

		Rank
Population	2,367,931	17
Population Growth Rate	1.03%	
Unemployment Rate	4.40%	
Median Household Income	$37,308	15
Cost of Living Index	99.7	45



1990 REVIEW

The Twin Cities' industrial market slowed in 1990, with 2.5 million square feet absorbed, a drop of 22 percent from 1989. Both warehouse and manufacturing facilities continued to account for the majority of demand. New construction coupled with slower demand caused the vacancy rate to rise to over eight percent. With fewer new projects underway, tenant incentives and discounts are becoming less common. Spot shortages of space pepper the market. Single tenant structures are being built when financing can be secured.

1991 FORECAST

SIOR's reporters indicate that the impact of the nation's economic slowdown on the area may be mollified by a solid manufacturing and agricultural sector. While the local economy may fare well, demand for industrial space may be temporarily stifled with new, large blocks of bulk warehouse space bearing the brunt of the impact. Sales prices are expected to slip five percent as will the dollar volume of all sale and lease transactions. Most market indicators, however will post no change in 1991.

THE CHASE COMPANY

Left to right, standing: Sherman Malkerson; John Gabrielson, SIOR; Bruce Bermel, SIOR. Seated: James Benson, SIOR; David Bruce, SIOR; Steven Eriksson.

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NASHUA, NEW HAMPSHIRE: INDUSTRIAL

Nashua (Central City), Hudson, Hollis, Amherst, and Merrimack (Suburban)

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	11,278,534	8,505,910
Vacant	2,057,316	1,737,123
Vacancy Rates	18.2%	20.4%
Under Construction	0	0
Net Absorption	-625,969	-508,617

Prime Source of Financing: Owner Financing

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	40.00	40.00
5,000 to 19,999 sf	38.00	35.00
20,000 to 39,999 sf	35.00	35.00
40,000 to 59,999 sf	30.00	32.00
60,000 to 99,999 sf	30.00	30.00
More than 99,999 sf	28.00	30.00
High Tech/R&D	45.00	40.00

Construction Costs	
Less than 5,000 sf	33.00
5,000 to 19,999 sf	30.00
20,000 to 39,999 sf	28.00
40,000 to 59,999 sf	28.00
60,000 to 99,999 sf	27.00
More than 99,999 sf	26.00
High Tech/R&D	50.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	4.00	4.00
5,000 to 19,999 sf	3.85	3.75
20,000 to 39,999 sf	3.75	3.75
40,000 to 59,999 sf	3.75	3.65
60,000 to 99,999 sf	3.50	3.65
More than 99,999 sf	3.50	3.50
High Tech/R&D	5.00	5.25

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Substantial Oversupply
20,000 to 39,999 sf	Substantial Oversupply
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Substantial Oversupply
High Tech/R&D	Substantial Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	3.00	1.85
2 to 5 acres	2.30	1.70
5 to 10 acres	2.10	1.60
More than 10 acres	2.00	1.50
Unimproved Sites		
Less than 10 acres	1.75	1.40
10 to 100 acres	-	1.15
More than 100 acres	-	1.00

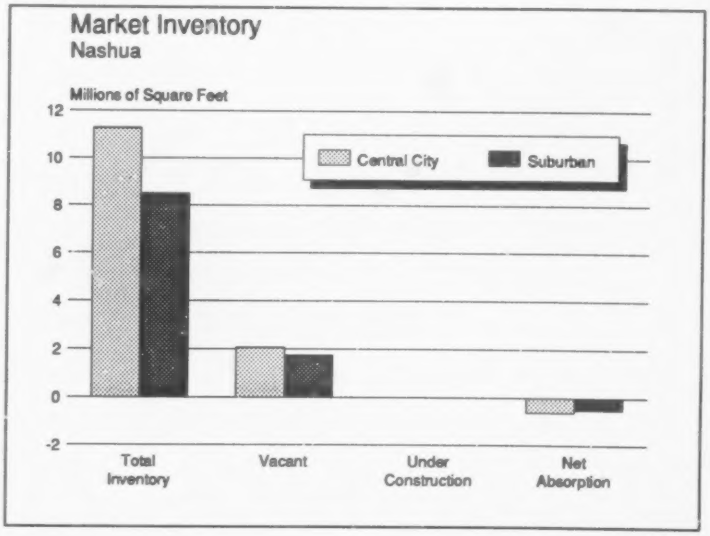
Composition of Absorption	
Warehouse/Distribution	33%
Manufacturing	34%
High Tech/R&D	33%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Down 10%
Manufacturing	Down 50%
High Tech/R&D	Down 50%
Dollar Volume - Leases	
Warehouse/Distribution	Up 100%
Manufacturing	Down 40%
High Tech/R&D	Down 40%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	n/a
High Tech/R&D	n/a
Lease Prices	
Warehouse/Distribution	Up 10%
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Down 10%
Absorption	
Warehouse/Distribution	Same
Manufacturing	Up 20%
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Up 15%
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	183,526	106
Population Growth Rate	2.56%	
Unemployment Rate	6.20%	
Median Household Income	$51,915	2
Cost of Living Index	n/a	n/a



1990 REVIEW

Nashua experienced a trying year with negative net absorption pushing vacancy from 13.8 to 19.2 percent. Defense cuts led to layoffs at two Lockheed divisions. Computer industry troubles caused Digital to announce work force reductions. Prices softened as expected and all categories of industrial space remain oversupplied. Increased demand for warehouse/distribution space, as evidenced by a 100 percent improvement in leasing activity in this category, was the only bright spot in the industrial market. No new construction was justified, given such weak economic indicators.

1991 FORECAST

1991 is expected to show little improvement over 1990. With the space glut and the difficulty in obtaining financing, it is unlikely that Nashua will see any speculative development in 1991. Companies will continue to find savings in retrofitting existing facilities rather than building new ones. Troubles in the high-tech industry will persist, causing the unemployment rate to increase and population growth to slow.

Nashville, Tennessee: Industrial

Nashville, Tennessee

Market Data

Inventory (sf)	Central City	Suburban
Total	1,500,000	103,450,000
Vacant	130,000	3,640,000
Vacancy Rates	8.7%	3.5%
Under Construction	0	187,000
Net Absorption	20,000	630,000

Prime Source of Financing: Commercial Banks, Owner Financing

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	25.00	23.00
5,000 to 19,999 sf	23.00	21.00
20,000 to 39,999 sf	n/a	21.00
40,000 to 59,999 sf	n/a	21.00
60,000 to 99,999 sf	n/a	17.00
More than 99,999 sf	15.00	17.00
High Tech/R&D	n/a	28.00

Construction Costs	
Less than 5,000 sf	22.00
5,000 to 19,999 sf	18.00
20,000 to 39,999 sf	18.00
40,000 to 59,999 sf	15.00
60,000 to 99,999 sf	14.00
More than 99,999 sf	14.00
High Tech/R&D	28.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	3.50	3.00
5,000 to 19,999 sf	2.75	2.75
20,000 to 39,999 sf	3.25	2.75
40,000 to 59,999 sf	n/a	2.50
60,000 to 99,999 sf	n/a	2.25
More than 99,999 sf	n/a	2.00
High Tech/R&D	5.50	3.50

Vacancy Indicators	
Less than 5,000 sf	Substantial Shortage
5,000 to 19,999 sf	Substantial Shortage
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Moderate Oversupply
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	5.00	2.50
2 to 5 acres	4.50	2.00
5 to 10 acres	n/a	0.80
More than 10 acres	n/a	1.00
Unimproved Sites		
Less than 10 acres	n/a	1.00
10 to 100 acres	n/a	0.50
More than 100 acres	n/a	0.50

Composition of Absorption	
Warehouse/Distribution	50%
Manufacturing	24%
High Tech/R&D	26%
Rate of Construction	
Warehouse/Distribution	Down 20%
Manufacturing	Up 20%
High Tech/R&D	Up 5%
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Up 10%
High Tech/R&D	Up 5%
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	Up 5%
High Tech/R&D	Same

Outlook

Sales Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Down 20%
Manufacturing	Down 10%
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Up 10%
Manufacturing	Up 5%
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Up 10%
Dollar Volume - Leases	Up 10%

Demographics

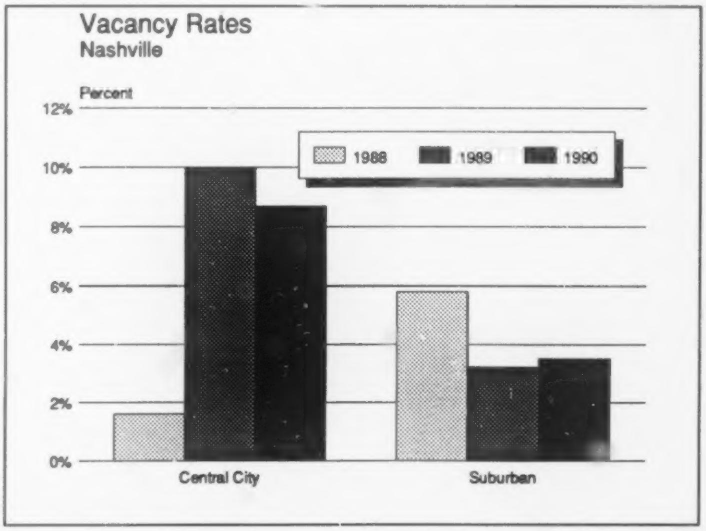
		Rank
Population	983,127	49
Population Growth Rate	1.46%	
Unemployment Rate	4.30%	
Median Household Income	$30,647	55
Cost of Living Index	98.4	48

1990 Review

The combined vacancy rate for the two markets rose slightly to 3.6 percent from 3.3 percent in 1989. Net absorption fell 50 percent during the year. The inventory of available space in both Nashville markets did not meet the specific demand of space users who were seeking buildings under 20,000 sq. ft. Construction has been severely hampered by constraints on the local banks, many of which suffered stiff losses in the recent banking crisis. Sources of financing have shifted from the local S&L's to out-of-town commercial banks and to owners. Lease prices posted declines in all categories with the High Tech/R&D market witnessing the most dramatic drop.

1991 Forecast

The companies which have historically driven the local economy, General Motors, Nissan, American Airlines, are expected to contribute only moderately in 1990. Good news includes Pillsbury's decision to reopen its plant and to expand operations locally. While speculative development remains unlikely, owner-occupied projects should continue to break ground. SIOR's researcher forecasts both absorption and transaction volume to step up in 1990.



NEW HAVEN, CONNECTICUT: INDUSTRIAL

Branford, East Haven, Milford, New Haven, North Haven, Orange, Wallingford, and West Haven

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	6,500,000	28,400,000
Vacant	275,000	1,400,000
Vacancy Rates	4.2%	4.9%
Under Construction	n/a	n/a
Net Absorption	50,000	1,400,000

Prime Source of Financing: Owner Financing

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	44.00	55.00
5,000 to 19,999 sf	42.00	54.00
20,000 to 39,999 sf	37.00	50.00
40,000 to 59,999 sf	35.00	43.00
60,000 to 99,999 sf	32.00	37.00
More than 99,999 sf	28.00	31.00
High Tech/R&D	n/a	68.00

Construction Costs	
Less than 5,000 sf	55.00
5,000 to 19,999 sf	48.00
20,000 to 39,999 sf	46.00
40,000 to 59,999 sf	42.00
60,000 to 99,999 sf	34.00
More than 99,999 sf	34.00
High Tech/R&D	62.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	4.00	4.50
5,000 to 19,999 sf	4.00	4.30
20,000 to 39,999 sf	3.75	3.90
40,000 to 59,999 sf	3.45	3.90
60,000 to 99,999 sf	3.25	3.50
More than 99,999 sf	3.00	3.40
High Tech/R&D	8.00	8.25

Vacancy Indicators	
Less than 5,000 sf	Moderate Shortage
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Moderate Shortage
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Balanced Market
High Tech/R&D	Substantial Shortage

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	2.98	3.70
2 to 5 acres	2.75	3.25
5 to 10 acres	n/a	3.10
More than 10 acres	n/a	2.40
Unimproved Sites		
Less than 10 acres	n/a	1.40
10 to 100 acres	n/a	0.92
More than 100 acres	n/a	0.64

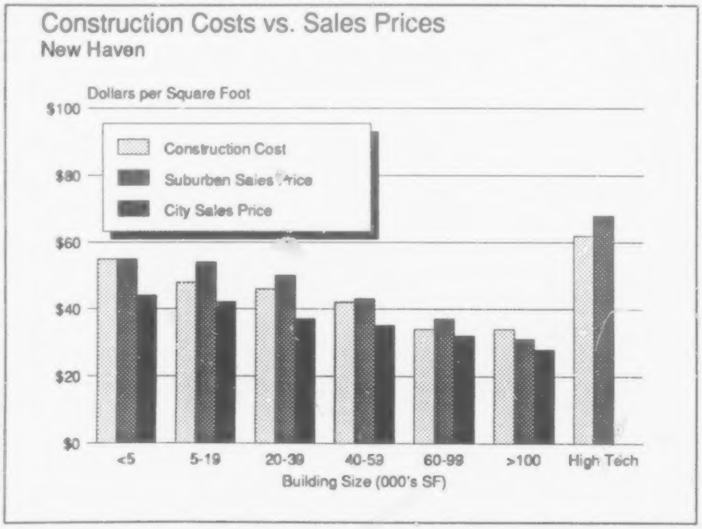
Composition of Absorption	
Warehouse/Distribution	60%
Manufacturing	10%
High Tech/R&D	30%
Rate of Construction	
Warehouse/Distribution	Down 0%
Manufacturing	Down 0%
High Tech/R&D	Down 0%
Dollar Volume - Sales	
Warehouse/Distribution	Down 30%
Manufacturing	Down 30%
High Tech/R&D	Down 30%
Dollar Volume - Leases	
Warehouse/Distribution	Down 20%
Manufacturing	Down 20%
High Tech/R&D	Down 20%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down 20%
Manufacturing	Down 20%
High Tech/R&D	Down 20%
Lease Prices	
Warehouse/Distribution	Down 25%
Manufacturing	Down 25%
High Tech/R&D	Down 25%
Site Prices	Down 25%
Absorption	
Warehouse/Distribution	Up 10%
Manufacturing	Up 10%
High Tech/R&D	Up 10%
Construction	
Warehouse/Distribution	Down 25%
Manufacturing	Down 25%
High Tech/R&D	Down 25%
Dollar Volume - Sales	Down 25%
Dollar Volume - Leases	Down 25%

DEMOGRAPHICS

		Rank
Population	515,105	81
Population Growth Rate	0.29%	
Unemployment Rate	5.20%	
Median Household Income	$40,774	10
Cost of Living Index	n/a	n/a



1990 REVIEW

The New Haven economy was haunted by rising taxes, and the bankruptcy, foreclosure, or contraction of many local businesses. The local real estate industry saw flat demand levels, shrinking employment, and tight credit. In the midst of this dismal atmosphere, the industrial markets fared better than the retail, commercial, or housing markets. While transaction activity was slower and occurred at lower prices than 1989, the year-end vacancy rate was 4.8 percent and net absorption still hit the 1.45 million sq. ft. mark. The most glaring signs of weakness were in the sharp drop in sales and leasing volumes, and in the market's price structure.

1991 FORECAST

New Haven has few prospects for improvement in 1991. The supply of available facilities should remain limited, particularly in the High Tech/R&D category. There will be no new construction. Lease and sales prices and volumes are expected to be off 20 to 25 percent from 1990. The weakened New England economy will continue to affect the industrial markets in and around New Haven.

NEW JERSEY-CENTRAL: INDUSTRIAL

Central New Jersey (Mercer County and portions of 5 adjoining counties)

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	n/a	n/a
Vacant	n/a	n/a
Vacancy Rates	n/a	n/a
Under Construction	n/a	n/a
Net Absorption	n/a	n/a

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	25.00	45.00
5,000 to 19,999 sf	22.00	40.00
20,000 to 39,999 sf	15.00	38.00
40,000 to 59,999 sf	12.00	38.00
60,000 to 99,999 sf	12.00	32.00
More than 99,999 sf	10.00	30.00
High Tech/R&D	-	60.00

Construction Costs	
Less than 5,000 sf	n/a
5,000 to 19,999 sf	n/a
20,000 to 39,999 sf	n/a
40,000 to 59,999 sf	n/a
60,000 to 99,999 sf	n/a
More than 99,999 sf	n/a
High Tech/R&D	n/a

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	3.50	6.00
5,000 to 19,999 sf	3.00	5.50
20,000 to 39,999 sf	3.00	5.00
40,000 to 59,999 sf	2.50	4.50
60,000 to 99,999 sf	2.50	4.00
More than 99,999 sf	2.50	3.75
High Tech/R&D	7.50	10.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Shortage
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Balanced Market
High Tech/R&D	Moderate Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	2.00	
2 to 5 acres	-	3.00
5 to 10 acres	-	2.50
More than 10 acres	-	2.00
Unimproved Sites		
Less than 10 acres	-	2.00
10 to 100 acres	-	1.50
More than 100 acres	-	1.00

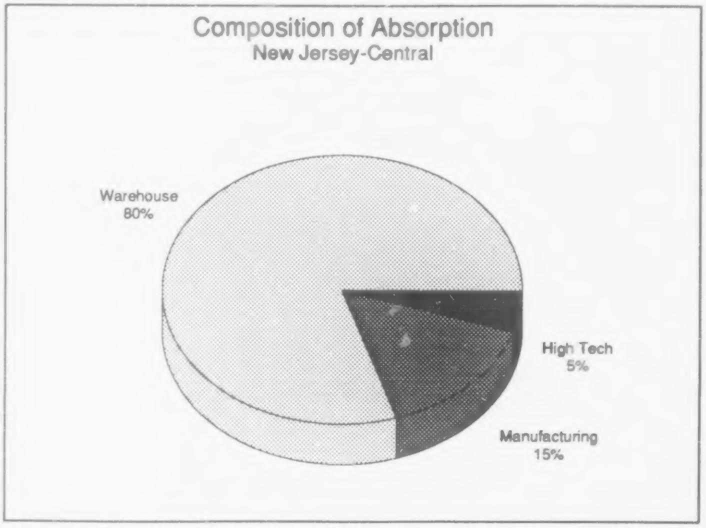
Composition of Absorption	
Warehouse/Distribution	80%
Manufacturing	15%
High Tech/R&D	5%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Dollar Volume - Leases	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 10%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	2,242,576	20
Population Growth Rate	0.93%	
Unemployment Rate	4.40%	
Median Household Income	n/a	n/a
Cost of Living Index	n/a	n/a



1990 REVIEW

The central New Jersey industrial market surrounding Trenton saw 80 percent of all absorption in its warehouse/distribution sector. Activity was reported as slow for the first half of 1990 but picked up as of third quarter. High Tech/R&D space was oversupplied while smaller, warehouse and distribution facilities were in short supply. Larger buildings were leasing at a steady pace. Sales and lease prices exhibited no significant changes in 1990.

1991 FORECAST

Central New Jersey is suffering from the recession that has manifested itself nationally. SIOR's reporter expects current trends to run their course during the first half of 1991 after which the market will begin a slow ascent. A lack of construction financing for speculative development rules out any anticipated new building activity in the near future. Financing for investment or expansion is tight, with commercial banks adopting an extremely conservative outlook. The focus of the market will continue to be on warehouse and distribution facilities within a 30 mile radius of Mercer County.

NEW JERSEY-NORTHERN: INDUSTRIAL

New Jersey-Northern: Bergen, Essex, Hudson, Morris, Passaic, and Sussex Counties

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	-	n/a
Vacant	-	n/a
Vacancy Rates	-	n/a
Under Construction	-	0
Net Absorption	-	n/a

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	50.00	70.00
5,000 to 19,999 sf	40.00	60.00
20,000 to 39,999 sf	40.00	55.00
40,000 to 59,999 sf	35.00	50.00
60,000 to 99,999 sf	35.00	45.00
More than 99,999 sf	35.00	40.00
High Tech/R&D	n/a	70.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	5.00	6.50
5,000 to 19,999 sf	4.50	5.75
20,000 to 39,999 sf	4.00	5.25
40,000 to 59,999 sf	4.00	4.75
60,000 to 99,999 sf	3.75	4.25
More than 99,999 sf	3.50	4.25
High Tech/R&D	n/a	6.75

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	7.00	9.00
2 to 5 acres	6.00	7.00
5 to 10 acres	5.00	6.50
More than 10 acres	n/a	6.00
Unimproved Sites		
Less than 10 acres	n/a	4.00
10 to 100 acres	n/a	3.50
More than 100 acres	n/a	2.50

Prime Source of Financing: Insurance Companies, Owner Financing

Mortgage Money Supply: Tight

Construction Costs	
Less than 5,000 sf	50.00
5,000 to 19,999 sf	45.00
20,000 to 39,999 sf	42.00
40,000 to 59,999 sf	40.00
60,000 to 99,999 sf	35.00
More than 99,999 sf	35.00
High Tech/R&D	70.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Substantial Oversupply
40,000 to 59,999 sf	Substantial Oversupply
60,000 to 99,999 sf	Substantial Oversupply
More than 99,999 sf	Moderate Oversupply
High Tech/R&D	Moderate Oversupply

Composition of Absorption	
Warehouse/Distribution	75%
Manufacturing	20%
High Tech/R&D	5%
Rate of Construction	
Warehouse/Distribution	Down 0%
Manufacturing	Down 0%
High Tech/R&D	Down 0%
Dollar Volume - Sales	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Dollar Volume - Leases	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 10%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

DEMOGRAPHICS

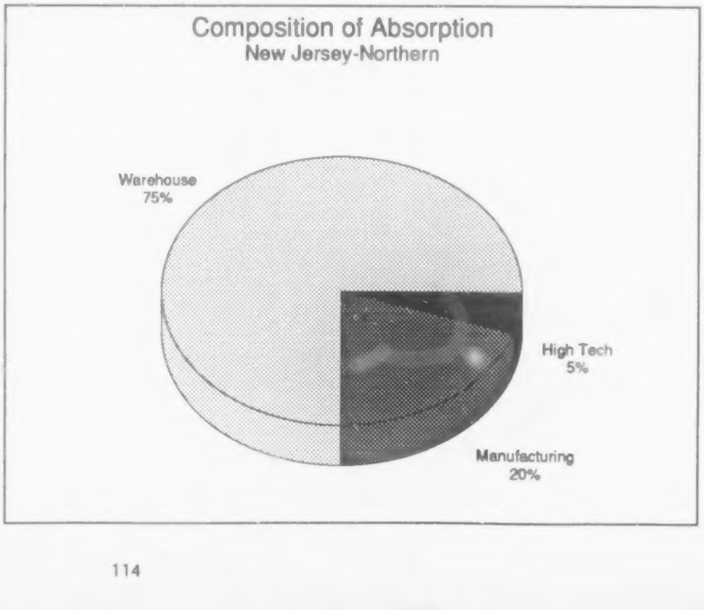
		Rank
Population	3,482,166	8
Population Growth Rate	-0.68%	
Unemployment Rate	5.30%	
Median Household Income	n/a	n/a
Cost of Living Index	n/a	n/a

1990 REVIEW

The regional economic downturn has weakened demand for industrial facilities of all sizes in Northern New Jersey. The manufacturing sector has slowed most notably. Companies are moving out of the area to reduce their occupancy costs and to find less expensive labor. Sales and lease prices have fallen, as much as 20 percent in some areas. Despite news of retrenchment and relocations, several firms have expanded during this quiet period, primarily medical and health related firms, export companies, and foreign-owned distribution operations requiring warehouse/distribution facilities. Overall, though, this market is facing an oversupply of facilities.

1991 FORECAST

The breadth of this market which extends over several cities and suburban areas makes its direction both hard to assess and to prognosticate. Warehouses will likely capture the majority of the prospective interest, with manufacturing continuing to decline. There will be very little new construction due to tight lending policies and the lack of availability of ample space.



NEW JERSEY-SOUTHERN: INDUSTRIAL

Camden, Gloucester, and Burlington Counties

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	-	29,000,000
Vacant	-	5,000,000
Vacancy Rates	-	17.2%
Under Construction	-	0
Net Absorption	-	n/a

Prime Source of Financing: All

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	30.00
5,000 to 19,999 sf	-	30.00
20,000 to 39,999 sf	-	30.00
40,000 to 59,999 sf	-	28.00
60,000 to 99,999 sf	-	27.00
More than 99,999 sf	-	27.00
High Tech/R&D	-	55.00

Construction Costs	
Less than 5,000 sf	45.00
5,000 to 19,999 sf	45.00
20,000 to 39,999 sf	40.00
40,000 to 59,999 sf	38.00
60,000 to 99,999 sf	35.00
More than 99,999 sf	27.00
High Tech/R&D	50.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	-	4.50
5,000 to 19,999 sf	-	4.25
20,000 to 39,999 sf	-	4.00
40,000 to 59,999 sf	-	3.75
60,000 to 99,999 sf	-	3.50
More than 99,999 sf	-	3.35
High Tech/R&D	-	9.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Balanced Market
High Tech/R&D	Moderate Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	1.72
2 to 5 acres	-	1.72
5 to 10 acres	-	1.50
More than 10 acres	-	1.38
Unimproved Sites		
Less than 10 acres	-	1.15
10 to 100 acres	-	1.10
More than 100 acres	-	n/a

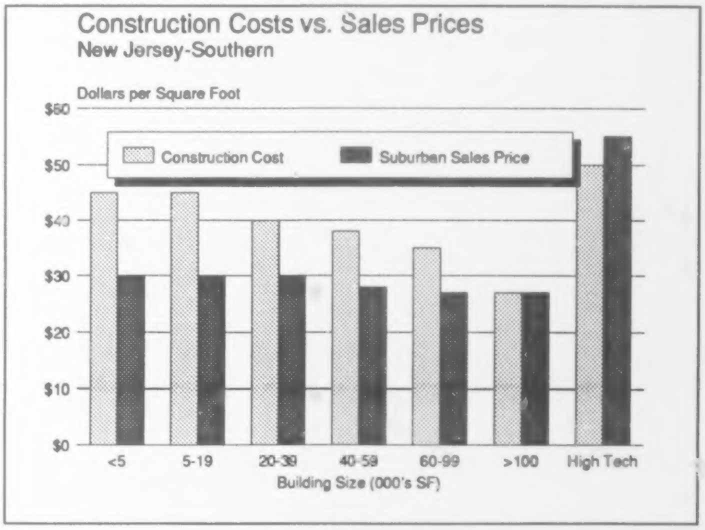
Composition of Absorption	
Warehouse/Distribution	n/a
Manufacturing	n/a
High Tech/R&D	n/a
Rate of Construction	
Warehouse/Distribution	Down
Manufacturing	Down
High Tech/R&D	Down
Dollar Volume - Sales	
Warehouse/Distribution	Down
Manufacturing	Down
High Tech/R&D	Down
Dollar Volume - Leases	
Warehouse/Distribution	Down
Manufacturing	Down
High Tech/R&D	Down

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down
Manufacturing	Down
High Tech/R&D	Down
Lease Prices	
Warehouse/Distribution	Down
Manufacturing	Down
High Tech/R&D	Down
Site Prices	Down
Absorption	
Warehouse/Distribution	Down
Manufacturing	Down
High Tech/R&D	Down
Construction	
Warehouse/Distribution	Down
Manufacturing	Down
High Tech/R&D	Down
Dollar Volume - Sales	Down
Dollar Volume - Leases	Down

DEMOGRAPHICS

		Rank
Population	n/a	n/a
Population Growth Rate	n/a	
Unemployment Rate	n/a	
Median Household Income	n/a	n/a
Cost of Living Index	n/a	n/a



1990 REVIEW

Demand for industrial space in Southern New Jersey lessened in 1990. Companies held back expansion plans due to the uncertainty of the local and national economy. Construction costs continued to exceed sales prices, making speculative new construction uneconomical. With virtually no new construction for the year, occupancy improved to 82.8 percent. However, 5,000,000 sq. ft. remain vacant and SIOR's local correspondent reported most categories of industrial facilities as oversupplied.

1991 FORECAST

Manufacturing employment will decline in 1991 with announcements by General Electric Aerospace and Campbell Soup to layoff employees at their Camden Plants. The Campbell Soup plant will actually be closed. Speculative development will be limited by strict lending regulations, often with a loan contingent upon 40 to 50 percent pre-leasing. Investor interest in acquiring properties will likely be marginal. All industrial market indicators are expected to soften although overall occupancy should improve with little new construction.

NEW ORLEANS, LOUISIANA: INDUSTRIAL

New Orleans, Metairie, Louisiana

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	19,960,000	33,800,000
Vacant	2,049,827	6,499,949
Vacancy Rates	10.3%	19.2%
Under Construction	0	50,000
Net Absorption	-3,400	-424,424

Prime Source of Financing: Insurance Companies, Commercial Banks, Owner Financing

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	28.00	27.00
5,000 to 19,999 sf	22.00	25.00
20,000 to 39,999 sf	22.00	23.00
40,000 to 59,999 sf	18.00	20.00
60,000 to 99,999 sf	18.00	18.00
More than 99,999 sf	15.00	15.00
High Tech/R&D	n/a	45.00

Construction Costs	
Less than 5,000 sf	29.00
5,000 to 19,999 sf	25.00
20,000 to 39,999 sf	20.00
40,000 to 59,999 sf	19.00
60,000 to 99,999 sf	17.00
More than 99,999 sf	15.50
High Tech/R&D	25.00-40.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	2.25-3.00	3.50
5,000 to 19,999 sf	1.75-2.50	3.00
20,000 to 39,999 sf	1.75-2.00	2.50
40,000 to 59,999 sf	1.50-1.75	2.25
60,000 to 99,999 sf	1.50	2.00
More than 99,999 sf	1.25	2.00
High Tech/R&D	n/a	5.50

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Substantial Shortage
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Moderate Oversupply
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	3.50	1.00-5.00
2 to 5 acres	3.50	1.00-4.00
5 to 10 acres	3.00	0.50-3.00
More than 10 acres	2.50	0.25-2.75
Unimproved Sites		
Less than 10 acres	n/a	0.25-2.00
10 to 100 acres	n/a	n/a
More than 100 acres	n/a	n/a

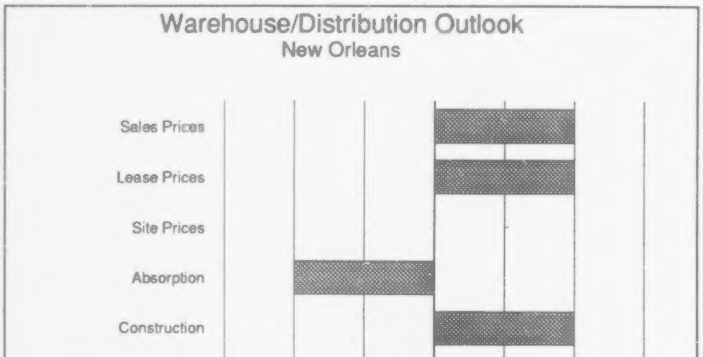
Composition of Absorption	
Warehouse/Distribution	90%
Manufacturing	5%
High Tech/R&D	5%
Rate of Construction	
Warehouse/Distribution	Up 10%
Manufacturing	Up 20%
High Tech/R&D	Up 10%
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Down 15%
Manufacturing	Same
High Tech/R&D	Same

OUTLOOK

Sales Prices	
Warehouse/Distribution	Up 10%
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Up 10%
Manufacturing	Up 10%
High Tech/R&D	Up 10%
Site Prices	Same
Absorption	
Warehouse/Distribution	Down 10%
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Up 10%
Manufacturing	Up 10%
High Tech/R&D	Same
Dollar Volume - Sales	Down 5%
Dollar Volume - Leases	Up 10%

DEMOGRAPHICS

		Rank
Population	1,356,803	38
Population Growth Rate	0.77%	
Unemployment Rate	6.70%	
Median Household Income	$23,542	105
Cost of Living Index	94.5	66



1990 REVIEW

The overall vacancy rate edged up to 15.9 percent as availabilities in the suburban market increased and net absorption turned negative again, after a year of growth in 1989. Warehouse/distribution facilities continued to account for 90 percent of demand although the dollar volume of leases for this property type decreased by 15 percent. Relocations from the city to outlying suburban areas were evident in 1990. Fiscal problems on the local and state level hurt the overall performance of this market in 1990.

1991 FORECAST

New Orleans' role as the key Mississippi River port city and its established petrochemical industries should help to lift its local economy out of the current lull. A turnaround in oil prices is good news for the city whose dependence on energy related industries makes it particularly vulnerable to down cycles. The industrial market will improve in tandem with any positive changes in the city's economy.

NEW YORK CITY, NEW YORK: INDUSTRIAL

Manhattan, New York, New York

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	n/a	-
Vacant	n/a	-
Vacancy Rates	n/a	-
Under Construction	n/a	-
Net Absorption	n/a	-

Prime Source of Financing: Insurance Companies, Commercial Banks, Owner Financing, IDA-municipal/state

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	50.00-150.00	-
5,000 to 19,999 sf	50.00-150.00	-
20,000 to 39,999 sf	50.00-125.00	-
40,000 to 59,999 sf	50.00-125.00	-
60,000 to 99,999 sf	-	-
More than 99,999 sf	-	-
High Tech/R&D	-	-

Construction Costs	
Less than 5,000 sf	-
5,000 to 19,999 sf	-
20,000 to 39,999 sf	-
40,000 to 59,999 sf	-
60,000 to 99,999 sf	-
More than 99,999 sf	-
High Tech/R&D	-

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	6.50-20.00	-
5,000 to 19,999 sf	6.00-15.00	-
20,000 to 39,999 sf	5.50-18.00	-
40,000 to 59,999 sf	5.50-18.00	-
60,000 to 99,999 sf	-	-
More than 99,999 sf	-	-
High Tech/R&D	-	-

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Balanced Market
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Moderate Shortage
60,000 to 99,999 sf	Substantial Shortage
More than 99,999 sf	Substantial Shortage
High Tech/R&D	Substantial Shortage

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	-
2 to 5 acres	-	-
5 to 10 acres	-	-
More than 10 acres	-	-
Unimproved Sites		
Less than 10 acres	-	-
10 to 100 acres	-	-
More than 100 acres	-	-

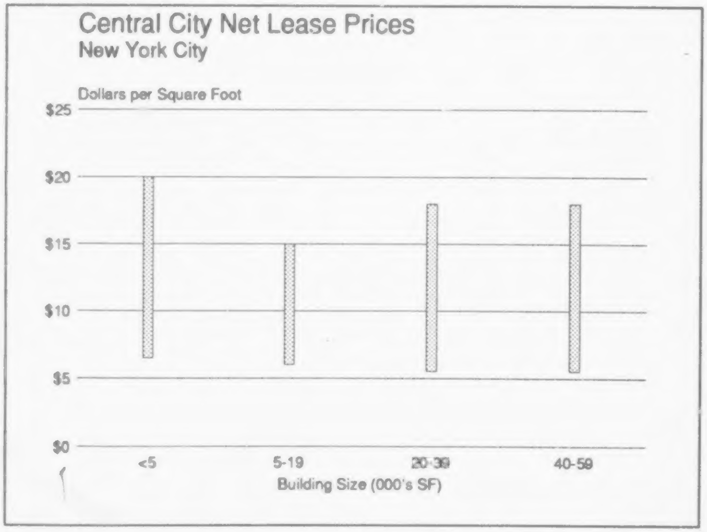
Composition of Absorption	
Warehouse/Distribution	n/a
Manufacturing	n/a
High Tech/R&D	-
Rate of Construction	
Warehouse/Distribution	n/a
Manufacturing	n/a
High Tech/R&D	n/a
Dollar Volume - Sales	
Warehouse/Distribution	n/a
Manufacturing	n/a
High Tech/R&D	n/a
Dollar Volume - Leases	
Warehouse/Distribution	Down 25%
Manufacturing	Down 25%
High Tech/R&D	n/a

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	n/a
Lease Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	n/a
Site Prices	n/a
Absorption	
Warehouse/Distribution	Down
Manufacturing	Down
High Tech/R&D	n/a
Construction	
Warehouse/Distribution	Down
Manufacturing	Down
High Tech/R&D	Down
Dollar Volume - Sales	n/a
Dollar Volume - Leases	n/a

DEMOGRAPHICS

		Rank
Population	8,031,290	2
Population Growth Rate	-0.30%	
Unemployment Rate	7.90%	
Median Household Income	$30,852	52
Cost of Living Index	n/a	n/a



1990 REVIEW

Manhattan's industrial market leasing activity is minimized by a lack of available facilities. Sales are limited by a lack of desirable buildings. Larger facilities are constantly in short supply and the feasibility of acquiring or assembling land is nil. In appropriate locations, some existing facilities have been converted into secondary or tertiary office buildings. Operations continue to move to adjacent suburban areas in the absence of a viable alternative in the city.

1991 FORECAST

The industrial sector of Manhattan's economy will continue to shrink in 1991. Demand is expected to decrease and sales and lease prices should fall approximately 10 percent. Manufacturing is expected to play a diminishing role in the New York City economy in the 1990s with an estimated 1.1 percent drop in the sector's employment through year-end 1991.

NEW YORK CITY-BRONX, NEW YORK: INDUSTRIAL

New York City-Bronx, New York

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	15,000,000	-
Vacant	1,000,000	-
Vacancy Rates	6.7%	-
Under Construction	0	-
Net Absorption	1,000,000	-

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	60.00	-
5,000 to 19,999 sf	55.00	-
20,000 to 39,999 sf	50.00	-
40,000 to 59,999 sf	50.00	-
60,000 to 99,999 sf	40.00	-
More than 99,999 sf	30.00	-
High Tech/R&D	n/a	-

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	7.00	-
5,000 to 19,999 sf	6.00	-
20,000 to 39,999 sf	5.00	-
40,000 to 59,999 sf	5.00	-
60,000 to 99,999 sf	6.00	-
More than 99,999 sf	5.00	-
High Tech/R&D	n/a	-

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	15.00	n/a
2 to 5 acres	10.00	n/a
5 to 10 acres	10.00	n/a
More than 10 acres	-	n/a
Unimproved Sites		
Less than 10 acres	n/a	n/a
10 to 100 acres	n/a	n/a
More than 100 acres	n/a	n/a

Prime Source of Financing: Owner Financing

Mortgage Money Supply: Tight

Construction Costs	
Less than 5,000 sf	n/a
5,000 to 19,999 sf	n/a
20,000 to 39,999 sf	n/a
40,000 to 59,999 sf	n/a
60,000 to 99,999 sf	n/a
More than 99,999 sf	n/a
High Tech/R&D	n/a

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Moderate Oversupply
High Tech/R&D	Moderate Oversupply

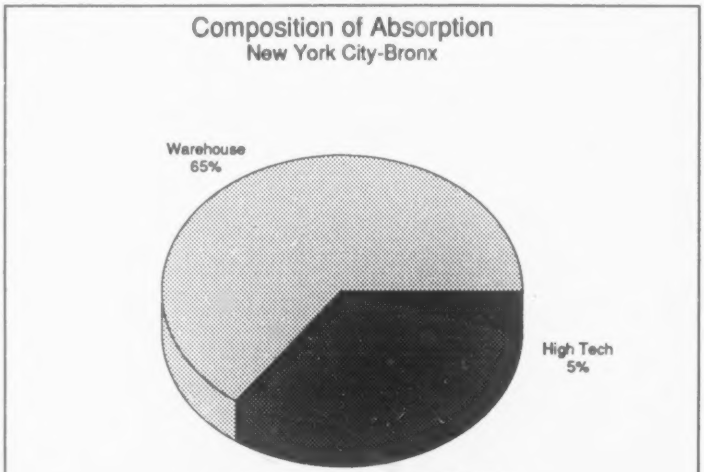
Composition of Absorption	
Warehouse/Distribution	65%
Manufacturing	30%
High Tech/R&D	5%
Rate of Construction	
Warehouse/Distribution	Down 50%
Manufacturing	Down 50%
High Tech/R&D	Down 50%
Dollar Volume - Sales	
Warehouse/Distribution	Down 80%
Manufacturing	Down 80%
High Tech/R&D	Down 80%
Dollar Volume - Leases	
Warehouse/Distribution	Down 80%
Manufacturing	Down 80%
High Tech/R&D	Down 80%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	8,031,290	2
Population Growth Rate	-0.30%	
Unemployment Rate	7.90%	
Median Household Income	$30,852	52
Cost of Living Index	n/a	n/a



1990 REVIEW

The Bronx industrial market, which relies on the demand of local businesses, began to adjust to a period of slower activity. Overall, absorption remained stable at one million square feet and the vacancy rate held steady at 6.7 percent. Construction activity, limited by a lack of vacant sites, slowed to a halt. Leasing activity focused on warehouse and distribution facilities and to a lesser extent, manufacturing structures but, rents and sales prices fell in 1990.

1991 FORECAST

This market's position relative to major traffic arteries and large consumer markets is favorable for business expansion. Its existing industrial facilities, however, consist primarily of older, outmoded structures many of which may be earmarked for demolition and redevelopment to a higher use. Falling prices, a tight money supply, and a lack of construction activity are all indications of this market's retrenchment. Conditions are expected to remain unchanged through 1991.

NEW YORK CITY-BROOKLYN/QUEENS, NEW YORK: INDUSTRIAL

New York City-Brooklyn/Queens, New York

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	330,000,000	-
Vacant	53,000,000	-
Vacancy Rates	16.1%	-
Under Construction	0	-
Net Absorption	-4,000,000	-

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	60.00-80.00	-
5,000 to 19,999 sf	50.00-70.00	-
20,000 to 39,999 sf	50.00-70.00	-
40,000 to 59,999 sf	35.00-50.00	-
60,000 to 99,999 sf	30.00-60.00	-
More than 99,999 sf	30.00-60.00	-
High Tech/R&D	80.00-95.00	-

Construction Costs	
Less than 5,000 sf	60.00
5,000 to 19,999 sf	60.00
20,000 to 39,999 sf	55.00
40,000 to 59,999 sf	55.00
60,000 to 99,999 sf	50.00
More than 99,999 sf	45.00-50.00
High Tech/R&D	135.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	7.00-9.00	-
5,000 to 19,999 sf	5.00-6.50	-
20,000 to 39,999 sf	5.00-6.50	-
40,000 to 59,999 sf	4.00-5.25	-
60,000 to 99,999 sf	4.00-5.25	-
More than 99,999 sf	3.50-5.25	-
High Tech/R&D	7.00-9.00	-

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Balanced Market
20,000 to 39,999 sf	Substantial Oversupply
40,000 to 59,999 sf	Substantial Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Moderate Oversupply
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	20.00-40.00	-
2 to 5 acres	15.00-30.00	-
5 to 10 acres	15.00-25.00	-
More than 10 acres	15.00-20.00	-
Unimproved Sites		
Less than 10 acres	n/a	-
10 to 100 acres	n/a	-
More than 100 acres	n/a	-

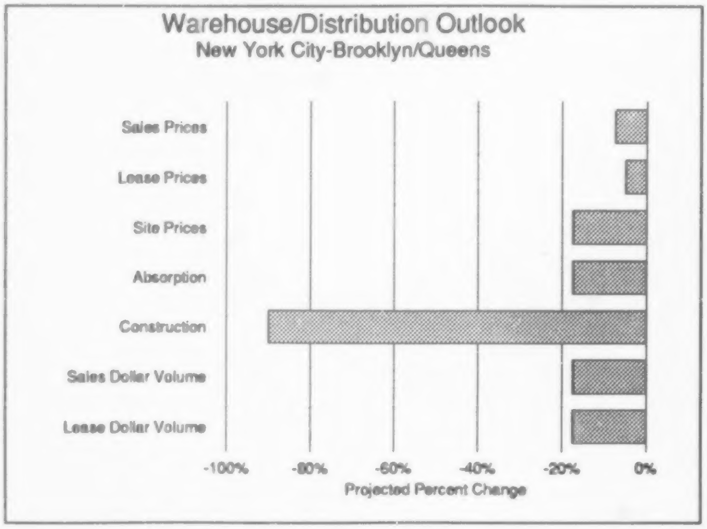
Composition of Absorption	
Warehouse/Distribution	75%
Manufacturing	22%
High Tech/R&D	3%
Rate of Construction	
Warehouse/Distribution	Down 90%
Manufacturing	Down 90%
High Tech/R&D	Down 90%
Dollar Volume - Sales	
Warehouse/Distribution	Down 15%
Manufacturing	Down 25%
High Tech/R&D	Down 90%
Dollar Volume - Leases	
Warehouse/Distribution	Down 15%
Manufacturing	Down 25%
High Tech/R&D	Down 90%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down 5-10%
Manufacturing	Down 10-15%
High Tech/R&D	Down 10%
Lease Prices	
Warehouse/Distribution	Down 5%
Manufacturing	Down 10-15%
High Tech/R&D	Down 10%
Site Prices	Down 15-20%
Absorption	
Warehouse/Distribution	Down 15-20%
Manufacturing	Down 20-25%
High Tech/R&D	Down 75%
Construction	
Warehouse/Distribution	Down 90%
Manufacturing	Down 90%
High Tech/R&D	Down 90%
Dollar Volume - Sales	Down 10-15%
Dollar Volume - Leases	Down 10-15%

DEMOGRAPHICS

		Rank
Population	8,031,290	2
Population Growth Rate	-0.30%	
Unemployment Rate	7.90%	
Median Household Income	$30,852	52
Cost of Living Index	n/a	n/a


Warehouse/Distribution Outlook
New York City-Brooklyn/Queens

1990 REVIEW

The gap between available space and demand widened in 1990 as the vacancy rate increased to 16.1 percent and absorption registered negative four million sq. ft. With 53 million sq. ft. available, this market faces a serious glut of vacant space. SIOR's reporter noted that the turnover rate at facilities has slowed and vacant space is remaining unoccupied for longer periods of time. Owners are coming to grips with the reality of the marketplace and transactions are being negotiated at lower prices. Demand for warehouse/distribution space captured 75 percent of the total absorption.

1991 FORECAST

A further decline in overall activity and a further increase in the vacancy rate is anticipated for this market in 1991. A tight money supply and a gross oversupply of facilities precludes the feasibilty of new construction. Prices should continue to fall in response to weaker market conditions. SIOR's reporter predicts that activity in the market will not accelerate until early 1992.

NEW YORK-NASSAU/SUFFOLK COUNTIES, NEW YORK: INDUSTRIAL

Nassau/Suffolk Counties, New York

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	-	231,000,000
Vacant	-	35,000,000
Vacancy Rates	-	15.2%
Under Construction	-	n/a
Net Absorption	-	5,000,000

Prime Source of Financing: Insurance Companies, Commercial Banks

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	60.00-70.00
5,000 to 19,999 sf	-	55.00-65.00
20,000 to 39,999 sf	-	50.00-60.00
40,000 to 59,999 sf	-	50.00-55.00
60,000 to 99,999 sf	-	45.00-50.00
More than 99,999 sf	-	45.00-50.00
High Tech/R&D	-	90.00

Construction Costs	
Less than 5,000 sf	70.00-80.00
5,000 to 19,999 sf	55.00-65.00
20,000 to 39,999 sf	45.00-55.00
40,000 to 59,999 sf	45.00-55.00
60,000 to 99,999 sf	40.00-50.00
More than 99,999 sf	40.00-50.00
High Tech/R&D	75.00-110.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	-	6.00-7.00
5,000 to 19,999 sf	-	5.75-6.50
20,000 to 39,999 sf	-	5.50-6.25
40,000 to 59,999 sf	-	5.00-5.75
60,000 to 99,999 sf	-	4.75-5.25
More than 99,999 sf	-	4.50-5.00
High Tech/R&D	-	7.00-10.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Substantial Oversupply
60,000 to 99,999 sf	Substantial Oversupply
More than 99,999 sf	Substantial Oversupply
High Tech/R&D	Substantial Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	7.00-15.00
2 to 5 acres	-	5.00-9.00
5 to 10 acres	-	5.00-9.00
More than 10 acres	-	4.00-8.00
Unimproved Sites		
Less than 10 acres	-	n/a
10 to 100 acres	-	n/a
More than 100 acres	-	n/a

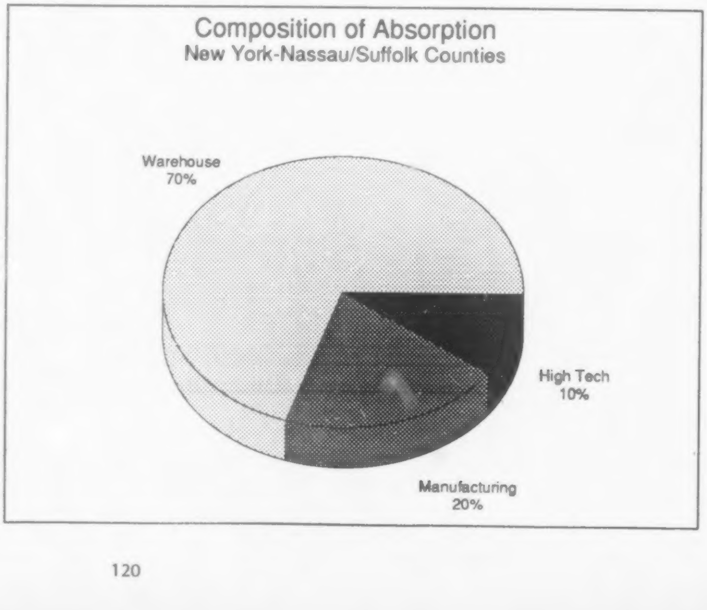
Composition of Absorption	
Warehouse/Distribution	70%
Manufacturing	20%
High Tech/R&D	10%
Rate of Construction	
Warehouse/Distribution	Down 25%
Manufacturing	Down 25%
High Tech/R&D	Down 25%
Dollar Volume - Sales	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Dollar Volume - Leases	
Warehouse/Distribution	Down 15%
Manufacturing	Down 15%
High Tech/R&D	Down 15%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 15%
Lease Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 15%
Site Prices	Same
Absorption	
Warehouse/Distribution	Down 10%
Manufacturing	Down 20%
High Tech/R&D	Down 20%
Construction	
Warehouse/Distribution	Down 90%
Manufacturing	Down 90%
High Tech/R&D	Down 90%
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	2,494,091	13
Population Growth Rate	-0.44%	
Unemployment Rate	4.10%	
Median Household Income	$51,838	3
Cost of Living Index	153.7	1


Composition of Absorption
New York-Nassau/Suffolk Counties

1990 REVIEW

Net absorption registered negative 2.8 million square feet in 1990 as space additions outpaced transactions. Warehouse and distribution space accounted for the lion's share of leasing. Owners have responded to the current conditions by cutting prices across the board. The flow of money funding speculative projects has run dry, with insurance companies and commercial banks turning off the credit. The inventory of industrial space will be increased only by build-to-suit projects.

1991 FORECAST

Further retrenchment is on the horizon for the industrial sector of Long Island's economy. Defense contracts and related manufacturing activities have diminished. Activity will continue to move toward warehouse and distribution facilities, with interest generated by companies already in the area. Sales and lease prices are predicted to drop. With an ample supply of desirable facilities, the market is well positioned to receive tenants.

NEW YORK-ROCKLAND/WESTCHESTER COUNTIES, NEW YORK: INDUSTRIAL

New York-Rockland/Westchester Counties

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	-	35,000,000
Vacant	-	2,000,000
Vacancy Rates	-	5.7%
Under Construction	-	n/a
Net Absorption	-	700,000

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	80.00
5,000 to 19,999 sf	-	65.00
20,000 to 39,999 sf	-	55.00
40,000 to 59,999 sf	-	50.00
60,000 to 99,999 sf	-	45.00
More than 99,999 sf	-	40.00
High Tech/R&D	-	100.00

Construction Costs	
Less than 5,000 sf	65.00
5,000 to 19,999 sf	55.00
20,000 to 39,999 sf	50.00
40,000 to 59,999 sf	45.00
60,000 to 99,999 sf	40.00
More than 99,959 sf	38.00
High Tech/R&D	80.00

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	-	10.00
5,000 to 19,999 sf	-	8.50
20,000 to 39,999 sf	-	7.50
40,000 to 59,999 sf	-	7.00
60,000 to 99,999 sf	-	6.50
More than 99,999 sf	-	6.00
High Tech/R&D	-	12.00

Vacancy Indicators	
Less than 5,000 sf	Substantial Shortage
5,000 to 19,999 sf	Substantial Shortage
20,000 to 39,999 sf	Substantial Shortage
40,000 to 59,999 sf	Substantial Shortage
60,000 to 99,999 sf	Substantial Shortage
More than 99,999 sf	Substantial Shortage
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	7.00-18.00
2 to 5 acres	-	6.00-17.00
5 to 10 acres	-	5.00-16.00
More than 10 acres	-	4.00-10.00
Unimproved Sites		
Less than 10 acres	-	4.00-15.00
10 to 100 acres	-	3.00-8.00
More than 100 acres	-	-

Composition of Absorption	
Warehouse/Distribution	80%
Manufacturing	10%
High Tech/R&D	10%
Rate of Construction	
Warehouse/Distribution	Down 95%
Manufacturing	Down 95%
High Tech/R&D	Down 95%
Dollar Volume - Sales	
Warehouse/Distribution	Down 20%
Manufacturing	Down 20%
High Tech/R&D	Down 20%
Dollar Volume - Leases	
Warehouse/Distribution	Down 20%
Manufacturing	Down 20%
High Tech/R&D	Down 20%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Up 10%
Manufacturing	Up 10%
High Tech/R&D	Up 10%
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	n/a	n/a
Population Growth Rate	n/a	
Unemployment Rate	n/a	
Median Household Income	n/a	n/a
Cost of Living Index	n/a	n/a

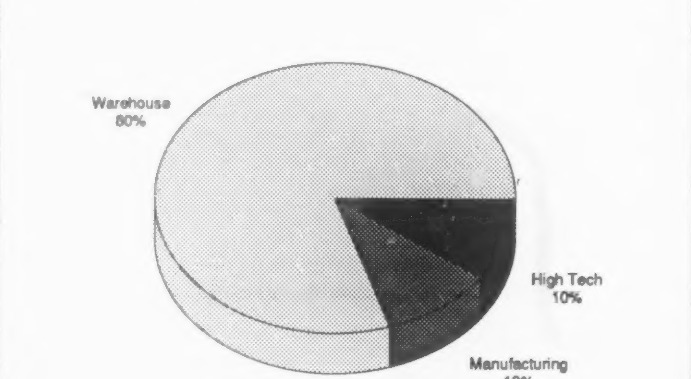
1990 REVIEW

Net absorption increased over 1989's level to 700,000 sq. ft. and the occupancy rate remained over 90 percent. Most other market forces have reacted to the regional slowdown. Sales prices fell between $20 and $45 per square foot. Lease prices declined as well in all property types except High Tech/R&D prompting interest among bargain hunters. Transactions have taken longer to close due to the difficulty in securing financing, enviromental constraints, and hesitation caused by economic uncertainty. Banks began to increase their control over enterprises they financed.

1991 FORECAST

Activity will be hindered by the regional economic conditions. As demand is heavily concentrated in warehouse and distribution space, the net effect of a drop in manufacturing and High Tech/R&D related industries will not impact this market as severely as its neighbors. Prices will remain flat, absorption will remain constant. Construction activity is expected to pick up by 10 percent, therefore the vacancy rate will probably rise.

Composition of Absorption
New York-Rockland/Westchester Counties



NORFOLK, VIRGINIA: INDUSTRIAL

Norfolk-Virginia Beach-Chesapeake, Virginia

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	32,500,000	-
Vacant	3,500,000	-
Vacancy Rates	10.8%	-
Under Construction	750,000	-
Net Absorption	500,000	-

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	25.00-50.00	-
5,000 to 19,999 sf	25.00-50.00	-
20,000 to 39,999 sf	20.00-40.00	-
40,000 to 59,999 sf	20.00-40.00	-
60,000 to 99,999 sf	15.00-40.00	-
More than 99,999 sf	15.00-30.00	-
High Tech/R&D	50.00-60.00	-

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	4.00-7.00	-
5,000 to 19,999 sf	3.50-6.00	-
20,000 to 39,999 sf	3.50-5.50	-
40,000 to 59,999 sf	2.75-4.50	-
60,000 to 99,999 sf	n/a	-
More than 99,999 sf	n/a	-
High Tech/R&D	5.00-11.00	-

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	2.00-4.00	-
2 to 5 acres	1.25-3.00	-
5 to 10 acres	1.50-2.35	-
More than 10 acres	1.50-2.00	-
Unimproved Sites		
Less than 10 acres	0.75	-
10 to 100 acres	0.50	-
More than 100 acres	n/a	-

OUTLOOK

Sales Prices	
Warehouse/Distribution	Up 1-5%
Manufacturing	Up 1-5%
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Down 1-5%
Manufacturing	Down 1-5%
High Tech/R&D	Down 1-5%
Dollar Volume - Sales	Down 1-5%
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	1,408,344	34
Population Growth Rate	1.96%	
Unemployment Rate	5.00%	
Median Household Income	$31,799	43
Cost of Living Index	n/a	n/a

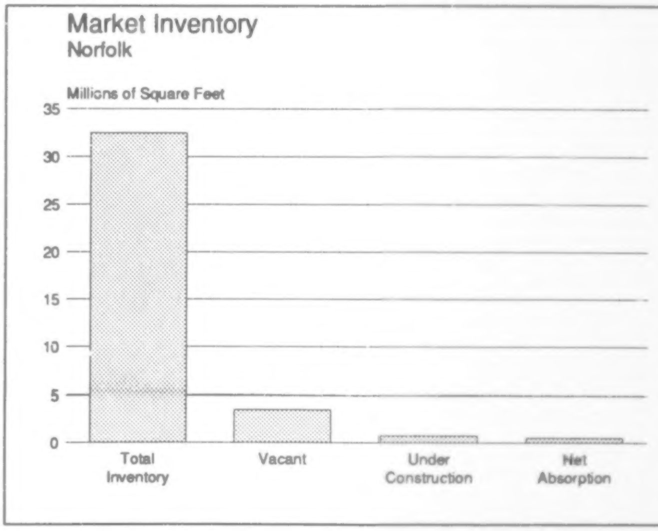
Prime Source of Financing: Insurance Companies, Commercial Banks, Owner Financing

Mortgage Money Supply: Tight

Construction Costs	
Less than 5,000 sf	30.00-40.00
5,000 to 19,999 sf	35.00
20,000 to 39,999 sf	30.00
40,000 to 59,999 sf	30.00
60,000 to 99,999 sf	25.00
More than 99,999 sf	21.00-25.00
High Tech/R&D	45.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Balanced Market
High Tech/R&D	Balanced Market

Composition of Absorption	
Warehouse/Distribution	55%
Manufacturing	30%
High Tech/R&D	15%
Rate of Construction	
Warehouse/Distribution	Down 1-5%
Manufacturing	Down 1-5%
High Tech/R&D	Down 1-5%
Dollar Volume - Sales	
Warehouse/Distribution	Down 5-10%
Manufacturing	Same
High Tech/R&D	Down 5-10%
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same



1990 REVIEW

A general feeling of uncertainty pervaded this market in 1990 because of the importance of the extensive military presence on the economy. Demand for High Tech/R&D facilities was down significantly due to defense and high-tech cutbacks. The vacancy rate continued to move up, increasing from 9.4 percent in 1989 to 10.8 percent in 1990. General leasing and sales activity was slow to moderate with most activity resulting from increasing space requirements of port-related, environmental, highway/tunnel construction, and shipyard companies.

1991 FORECAST

Defense budget cuts will likely cause a reduction in civilian and military government employment. The economy will also be negatively impacted by the transfer of military personnel to the Middle East. Declining activity could have a ripple effect on trade and services, depending on the length of U.S. presence in the Middle East. With little speculative construction planned, local SIOR reporters estimate prices for warehousing/distribution and manufacturing space will strengthen a modest one to five percent, while lease prices will hold steady.

OAKLAND, CALIFORNIA: INDUSTRIAL

Oakland, California

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	n/a	n/a
Vacant	5,948,934	19,358,356
Vacancy Rates	n/a	n/a
Under Construction	36,000	542,303
Net Absorption	n/a	n/a

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	n/a	n/a
5,000 to 19,999 sf	50.00	56.00
20,000 to 39,999 sf	41.00	47.00
40,000 to 59,999 sf	37.00	43.00
60,000 to 99,999 sf	32.00	38.00
More than 99,999 sf	n/a	33.00
High Tech/R&D	n/a	81.00

Construction Costs	
Less than 5,000 sf	35.00
5,000 to 19,999 sf	31.00
20,000 to 39,999 sf	28.00
40,000 to 59,999 sf	26.00
60,000 to 99,999 sf	23.00
More than 99,999 sf	20.00
High Tech/R&D	46.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	n/a	n/a
5,000 to 19,999 sf	4.20	4.44
20,000 to 39,999 sf	4.08	4.32
40,000 to 59,999 sf	3.60	3.84
60,000 to 99,999 sf	3.36	3.36
More than 99,999 sf	2.88	3.24
High Tech/R&D	7.80	6.96

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Substantial Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Moderate Oversupply
High Tech/R&D	Moderate Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	n/a	6.00
2 to 5 acres	n/a	5.50
5 to 10 acres	n/a	5.00
More than 10 acres	n/a	4.50
Unimproved Sites		
Less than 10 acres	n/a	n/a
10 to 100 acres	n/a	n/a
More than 100 acres	n/a	n/a

Composition of Absorption	
Warehouse/Distribution	67%
Manufacturing	18%
High Tech/R&D	15%
Rate of Construction	
Warehouse/Distribution	Down 15%
Manufacturing	Down 13%
High Tech/R&D	Down 18%
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Down 20%
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Up 5%
Manufacturing	Down 10%
High Tech/R&D	Up 10%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Up 5%
Site Prices	Down 5%
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Down 10%
Manufacturing	Down 20%
High Tech/R&D	Down 10%
Dollar Volume - Sales	Down 20%
Dollar Volume - Leases	Down 5%

DEMOGRAPHICS

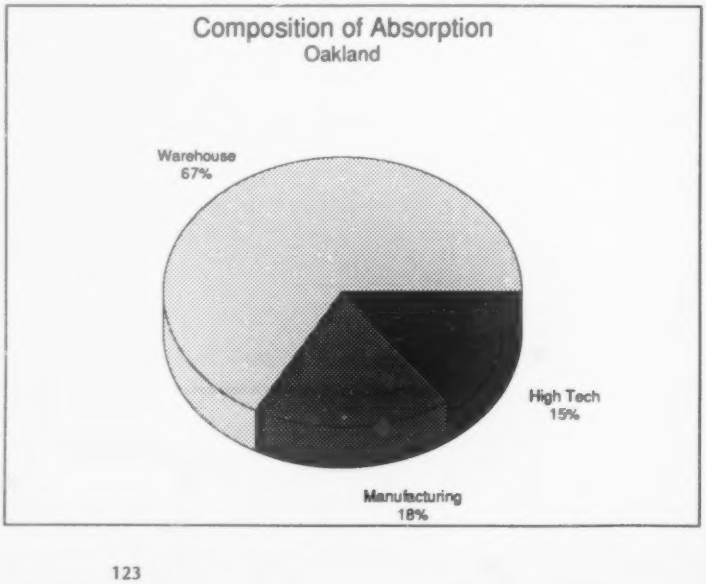
		Rank
Population	2,022,211	23
Population Growth Rate	1.39%	
Unemployment Rate	4.40%	
Median Household Income	$37,811	12
Cost of Living Index	n/a	n/a

1990 REVIEW

Considerable strength characterized the greater Oakland industrial market throughout most of 1990. Driven by a rapidly growing high-tech sector, R&D/flex-tech space along the East Bay shoreline was in considerable demand. Traditional industrial users were increasingly drawn to newer facilities in Hayward and Union City, as well as the emerging markets eastward. Increasing land costs, environmental concerns, and tightening financial markets caused new construction to drop 13 to 18 percent from 1989 levels. However, most categories of space were reported as oversupplied, causing lease prices to slide during the year.

1991 FORECAST

Oakland's economic growth will slow during 1991 but will remain stronger than the other Bay Area communities. Competition with neighboring areas may increase as Oakland's advantage as a low cost alternative erodes. Oakland's excellent access to the Pacific Rim will protect the area from the economic paralysis plaguing many areas in the nation. Construction will decline 10 to 20 percent. Steady absorption could allow industrial space occupancy to improve.



Oklahoma City, Oklahoma: Industrial

Oklahoma City Metropolitan Area

Market Data

Inventory (sf)	Central City	Suburban
Total	1,420,000	60,500,000
Vacant	350,000	6,000,000
Vacancy Rates	24.6%	9.9%
Under Construction	0	200,000
Net Absorption	50,000	1,000,000

Prime Source of Financing: Insurance Companies, Commercial Banks

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	18.00-30.00
5,000 to 19,999 sf	-	18.00-30.00
20,000 to 39,999 sf	-	16.00-25.00
40,000 to 59,999 sf	-	15.00-20.00
60,000 to 99,999 sf	-	14.00-18.00
More than 99,999 sf	-	13.00-18.00
High Tech/R&D	-	22.00-40.00

Construction Costs	
Less than 5,000 sf	25.00-30.00
5,000 to 19,999 sf	20.00-25.00
20,000 to 39,999 sf	18.00-20.00
40,000 to 59,999 sf	17.00-20.00
60,000 to 99,999 sf	17.00-19.00
More than 99,999 sf	17.00-19.00
High Tech/R&D	35.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	-	3.00-5.00
5,000 to 19,999 sf	-	2.50-5.00
20,000 to 39,999 sf	-	2.00-2.75
40,000 to 59,999 sf	-	1.75-2.50
60,000 to 99,999 sf	-	1.75-2.50
More than 99,999 sf	-	1.50-2.35
High Tech/R&D	-	5.00-7.00

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Balanced Market
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Moderate Shortage
High Tech/R&D	Moderate Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	1.00-3.00
2 to 5 acres	-	0.90-1.75
5 to 10 acres	-	0.50-1.25
More than 10 acres	-	0.40-0.75
Unimproved Sites		
Less than 10 acres	-	0.40-0.70
10 to 100 acres	-	0.35-0.75
More than 100 acres	-	0.30-0.50

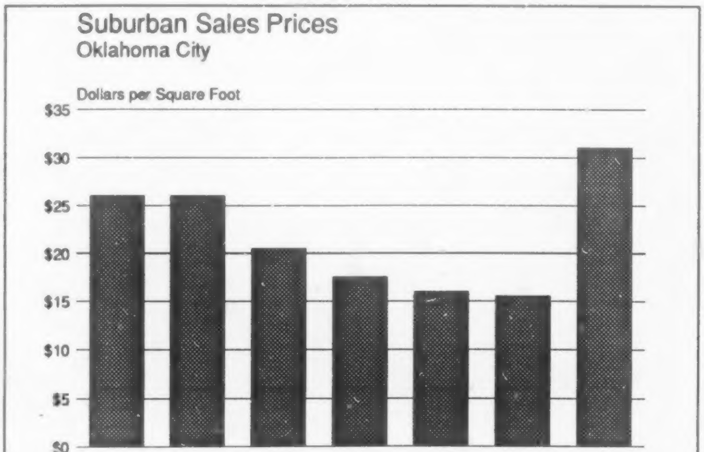
Composition of Absorption	
Warehouse/Distribution	60%
Manufacturing	20%
High Tech/R&D	20%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	n/a
Manufacturing	n/a
High Tech/R&D	n/a
Dollar Volume - Leases	
Warehouse/Distribution	Up 1-5%
Manufacturing	Up 1-5%
High Tech/R&D	Same

Outlook

Sales Prices	
Warehouse/Distribution	Up 5%
Manufacturing	Up 5%
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Up 5-10%
Manufacturing	Up 5%
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Up 5%
Manufacturing	Up 1-5%
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Up 1-5%
Manufacturing	Up 5%
High Tech/R&D	Same
Dollar Volume - Sales	Up 5%
Dollar Volume - Leases	Up 5%

Demographics

		Rank
Population	1,027,253	46
Population Growth Rate	1.78%	
Unemployment Rate	4.50%	
Median Household Income	$25,310	97
Cost of Living Index	95.4	62



1990 Review

Demand for distribution warehouse space and light manufacturing facilities increased slightly in 1990, resulting in several lease and sale transactions. Rents have firmed and sales prices are on the rise, signifying the stabilization of this market. The vacancy rate has remained at 10.3 percent and 1.1 million sq. ft. was absorbed. Construction activity continues in the suburbs but at a slow pace relative to total inventory due to a tight money supply. At the current pace of development, shortages of properties larger than 60,000 sq. ft. exist. High Tech/R&D facilities are in abundance.

1991 Forecast

Oklahoma City's economy continues to improve at a slow pace. Real estate values have stabilized and are now on their way up. Several major expansions are expected by local users and by industries relocating from outside the city. Local companies are positioning themselves for long term occupancy as lessees or owners. All other property types, except High Tech/R&D, will exhibit a modest rise in price and an increase in lease and sale transactions.

OMAHA, NEBRASKA: INDUSTRIAL

Omaha, Nebraska

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	6,473,000	7,449,000
Vacant	782,890	1,034,380
Vacancy Rates	12.1%	13.9%
Under Construction	103,000	383,000
Net Absorption	546,000	842,000

Prime Source of Financing: Commercial Banks, Owner Financing

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	26.00-28.00	33.00-36.00
5,000 to 19,999 sf	20.00-25.00	26.00-28.00
20,000 to 39,999 sf	17.00-20.00	18.00-25.00
40,000 to 59,999 sf	15.00-18.00	17.00-22.00
60,000 to 99,999 sf	12.00-15.00	15.00-18.00
More than 99,999 sf	9.00-12.00	14.00-17.00
High Tech/R&D	30.00-35.00	36.00-40.00

Construction Costs	
Less than 5,000 sf	31.00-36.00
5,000 to 19,999 sf	20.00-26.00
20,000 to 39,999 sf	18.00-22.00
40,000 to 59,999 sf	18.00-20.00
60,000 to 99,999 sf	15.00-18.00
More than 99,999 sf	14.00-16.00
High Tech/R&D	33.00-40.00

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	2.65-2.80	3.25-3.90
5,000 to 19,999 sf	2.30-2.75	2.90-3.25
20,000 to 39,999 sf	2.00-2.35	2.60-2.95
40,000 to 59,999 sf	1.80-2.30	2.20-2.65
60,000 to 99,999 sf	1.70-2.00	2.00-2.35
More than 99,999 sf	1.50-2.00	2.00-2.25
High Tech/R&D	3.50-4.00	4.50-5.75

Vacancy Indicators	
Less than 5,000 sf	Substantial Shortage
5,000 to 19,999 sf	Substantial Shortage
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Balanced Market
High Tech/R&D	Moderate Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	1.75-1.90	1.90-2.50
2 to 5 acres	1.50-1.75	1.70-2.00
5 to 10 acres	1.00-1.30	1.50-1.70
More than 10 acres	0.70-1.00	1.00-1.20
Unimproved Sites		
Less than 10 acres	0.35-0.50	0.50-0.70
10 to 100 acres	0.20-0.30	0.35-0.60
More than 100 acres	n/a	0.25-0.40

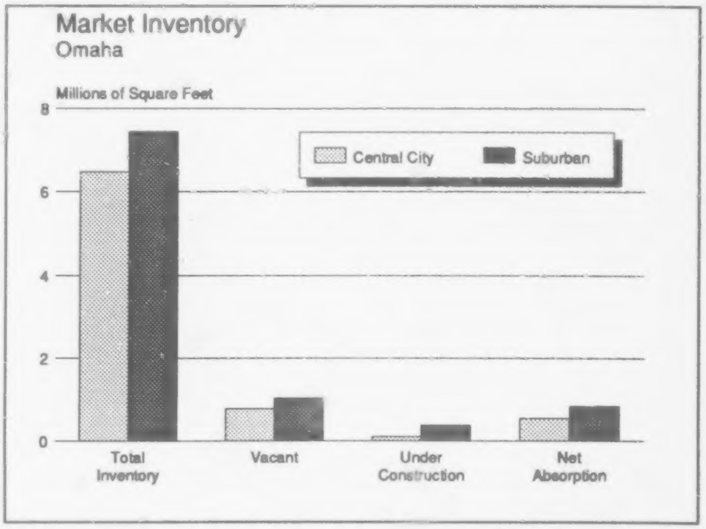
Composition of Absorption	
Warehouse/Distribution	70%
Manufacturing	10%
High Tech/R&D	20%
Rate of Construction	
Warehouse/Distribution	Up 15%
Manufacturing	Up 10%
High Tech/R&D	Up 10%
Dollar Volume - Sales	
Warehouse/Distribution	Up 5-7%
Manufacturing	Up 5-7%
High Tech/R&D	Down 7-10%
Dollar Volume - Leases	
Warehouse/Distribution	Up 5%
Manufacturing	Same
High Tech/R&D	Up 5%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down 5%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Lease Prices	
Warehouse/Distribution	Down 5%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Down 5-7%
High Tech/R&D	Down 10-12%
Construction	
Warehouse/Distribution	Down 5%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Dollar Volume - Sales	Down 5%
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	613,280	71
Population Growth Rate	0.47%	
Unemployment Rate	2.90%	
Median Household Income	$30,869	51
Cost of Living Index	n/a	n/a



1990 REVIEW

Demand was healthy for small warehouse facilities of 5,000 to 10,000 sq. ft. Mid-sized buildings, however, did not receive the same level of attention and are currently suffering the highest vacancies. Expansion of national and regional companies moving into the market outpaced activity from local users. Large businesses appeared to be taking advantage of the LB 775 tax incentive program. Overall, the market fared well in 1990, with 1.4 million sq. ft. of absorption and a drop in the vacancy rate to 13.1 percent. Prices held firm, but the overall dollar volume of leases did not post significant gains.

1991 FORECAST

Strict loan underwriting policies will limit development to owner-occupied buildings in 1990. The local economy is expected to be soft, with businesses putting plans on hold until conditions improve. Consequently, the industrial market should brace itself for a slowdown. Prices will probably drop five to 10 percent and absorption activity will decline for all properties except warehouse space.

ORLANDO, FLORIDA: INDUSTRIAL

Orlando, Florida

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	43,500,000	4,500,000
Vacant	2,300,000	250,000
Vacancy Rates	5.3%	5.6%
Under Construction	n/a	n/a
Net Absorption	800,000	200,000

Prime Source of Financing: Insurance Companies

Mortgage Money Supply: Not Available

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	n/a	n/a
5,000 to 19,999 sf	29.00	n/a
20,000 to 39,999 sf	29.00-30.00	n/a
40,000 to 59,999 sf	28.00-30.00	n/a
60,000 to 99,999 sf	28.00-30.00	n/a
More than 99,999 sf	28.00-30.00	n/a
High Tech/R&D	52.00	n/a

Construction Costs	
Less than 5,000 sf	30.00
5,000 to 19,999 sf	25.00
20,000 to 39,999 sf	20.00
40,000 to 59,999 sf	18.00
60,000 to 99,999 sf	16.00
More than 99,999 sf	15.00
High Tech/R&D	39.00

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	4.75	4.50
5,000 to 19,999 sf	3.50	3.25
20,000 to 39,999 sf	3.50	3.25
40,000 to 59,999 sf	3.50	3.25
60,000 to 99,999 sf	2.85-3.00	2.90
More than 99,999 sf	2.50-2.85	2.15
High Tech/R&D	8.50-9.00	8.50

Vacancy Indicators	
Less than 5,000 sf	Substantial Oversupply
5,000 to 19,999 sf	Balanced Market
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Moderate Shortage
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Substantial Shortage
High Tech/R&D	Moderate Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	3.50	2.00
2 to 5 acres	3.50	2.00
5 to 10 acres	3.00-3.50	2.00
More than 10 acres	2.75	1.75
Unimproved Sites		
Less than 10 acres	n/a	1.00-1.25
10 to 100 acres	1.50	0.50
More than 100 acres	n/a	0.50

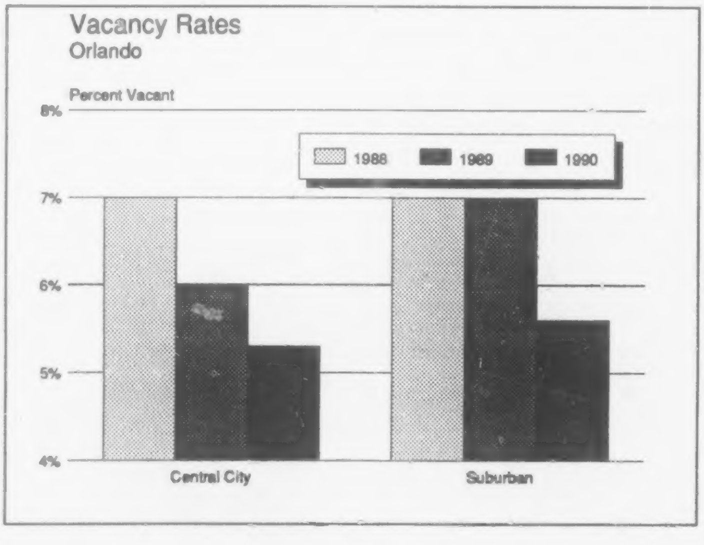
Composition of Absorption	
Warehouse/Distribution	80%
Manufacturing	5%
High Tech/R&D	15%
Rate of Construction	
Warehouse/Distribution	Up 5%
Manufacturing	Same
High Tech/R&D	Down 60-75%
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Up 5%
Manufacturing	Same
High Tech/R&D	Down 5-10%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Up 5%
Absorption	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Down 10%
Construction	
Warehouse/Distribution	Down 1-5%
Manufacturing	Down 20-25%
High Tech/R&D	Down 25%
Dollar Volume - Sales	Up 1-5%
Dollar Volume - Leases	Up 1-5%

DEMOGRAPHICS

		Rank
Population	1,043,903	44
Population Growth Rate	4.08%	
Unemployment Rate	5.60%	
Median Household Income	$31,961	39
Cost of Living Index	103.3	26



1990 REVIEW

Orlando's industrial market experienced strong net absorption of one million sq. ft., dropping the vacancy rate from 6.1 percent in 1989 to 5.3 percent. Leasing concentrated in the warehouse/distribution sector, resulted mainly from expansions by existing users. High Tech/R&D demand was off and SIOR's local reporters noted a construction decline of 60 to 75 percent in this sector. Foreign investment rose in 1990 with increased activity by the Japanese, Dutch, and Germans.

1991 FORECAST

Orlando's employment growth will slow in 1991 but will still be among the fastest in the U.S. The recent announcement that Orlando won a competition to give landing rights to All Nippon Airways is expected to increase Japanese tourism and investment interest. Speculative development is expected to be non-existent during the first half of 1991, but given the low overall vacancy rate and supply shortage of facilities ranging from 20,000 to 100,000 sq. ft. or more, should pick up thereafter. Improved site prices are expected to increase as strict environmental requirements for new developments are passed along.

Philadelphia, Pennsylvania: Industrial

Philadelphia, Pennsylvania (includes Bucks, Chester, Delaware and Montgomery counties)

Market Data

Inventory (sf)	Central City	Suburban
Total	n/a	n/a
Vacant	13,100,000	20,500,000
Vacancy Rates	n/a	n/a
Under Construction	n/a	n/a
Net Absorption	n/a	n/a

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	40.00-50.00	50.00-60.00
5,000 to 19,999 sf	50.00	45.00
20,000 to 39,999 sf	40.00-45.00	40.00-45.00
40,000 to 59,999 sf	35.00	40.00
60,000 to 99,999 sf	35.00	35.00-40.00
More than 99,999 sf	25.00-30.00	30.00-35.00
High Tech/R&D	n/a	60.00-100.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	6.00-6.50	6.00-7.00
5,000 to 19,999 sf	5.50-6.00	4.50-6.00
20,000 to 39,999 sf	3.75-4.25	4.00-4.50
40,000 to 59,999 sf	3.50-4.00	4.00-4.50
60,000 to 99,999 sf	3.50	3.75-4.00
More than 99,999 sf	3.00-3.50	3.50-4.00
High Tech/R&D	n/a	8.00-10.00

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	0.35-1.35	2.30
2 to 5 acres	0.35-1.35	1.75
5 to 10 acres	0.35-1.35	1.75
More than 10 acres	0.35-1.35	1.75
Unimproved Sites		
Less than 10 acres	n/a	0.90
10 to 100 acres	n/a	0.50-0.80
More than 100 acres	n/a	0.50-0.80

Prime Source of Financing: Insurance Companies, Commercial Banks, Owner Financing

Mortgage Money Supply: Moderate

Construction Costs	
Less than 5,000 sf	55.00
5,000 to 19,999 sf	48.00
20,000 to 39,999 sf	38.00
40,000 to 59,999 sf	32.00
60,000 to 99,999 sf	28.00
More than 99,999 sf	24.00
High Tech/R&D	70.00

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Substantial Oversupply
High Tech/R&D	Balanced Market

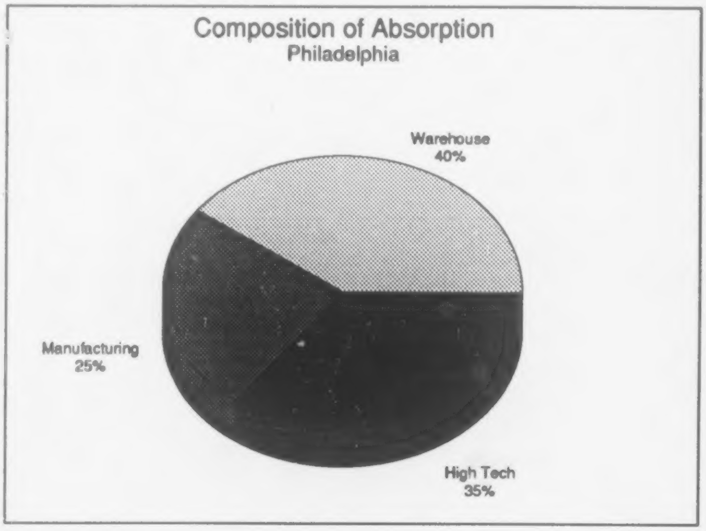
Composition of Absorption	
Warehouse/Distribution	40%
Manufacturing	25%
High Tech/R&D	35%
Rate of Construction	
Warehouse/Distribution	Up 10%
Manufacturing	Down 10%
High Tech/R&D	Up 10%
Dollar Volume - Sales	
Warehouse/Distribution	Down 25%
Manufacturing	Down 25%
High Tech/R&D	Down 25%
Dollar Volume - Leases	
Warehouse/Distribution	Down 25%
Manufacturing	Down 25%
High Tech/R&D	Down 25%

Outlook

Sales Prices	
Warehouse/Distribution	Down 5%
Manufacturing	Down 10%
High Tech/R&D	Down 5%
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Down 5%
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Down 5%
Manufacturing	Down 10%
High Tech/R&D	Down 5%
Construction	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Down 5%
Dollar Volume - Sales	Down 5%
Dollar Volume - Leases	Down 5%

Demographics

		Rank
Population	4,763,784	4
Population Growth Rate	0.10%	
Unemployment Rate	4.70%	
Median Household Income	$35,073	20
Cost of Living Index	128.0	4



1990 Review

The diversity of Philadelphia's economy did not shield it from the city's fiscal problems or the regional economic slowdown. The city's industrial sector has been suffering from increased domestic and foreign competition. Outdated equipment and high wage rates also have contributed to the decline. Activity was down by almost one-third from 1989's levels. Larger, build-to-suit distribution facilities account for most of the interest. The trend in leases and sales was away from smaller buildings as interested parties took advantage of the substantial oversupply of larger facilities.

1991 Forecast

Potential bankruptcy leaves the outlook for the city of Philadelphia chancy. Regionally, growth is slow and recovery could lag the nation. On the positive side, land availability and moderate construction costs encourage future investment and growth. The effect of the fiscal crisis on business costs clouds the outlook. Institutional investors, both in debt and equity real estate vehicles are, understandably, examining this market cautiously.

PHOENIX, ARIZONA: INDUSTRIAL

Maricopa County

MARKET DATA

Inventory (sf)	Central City*	Suburban
Total	155,000,000	-
Vacant	31,000,000	-
Vacancy Rates	20.0%	-
Under Construction	63,000	-
Net Absorption	567,000	-

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	40.00-50.00	-
5,000 to 19,999 sf	30.00-40.00	-
20,000 to 39,999 sf	25.00-30.00	-
40,000 to 59,999 sf	22.00-25.00	-
60,000 to 99,999 sf	18.00-22.00	-
More than 99,999 sf	18.00-22.00	-
High Tech/R&D	20.00-35.00	-

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	4.00-5.40	-
5,000 to 19,999 sf	3.25-4.00	-
20,000 to 39,999 sf	2.50-3.25	-
40,000 to 59,999 sf	2.15-2.50	-
60,000 to 99,999 sf	1.90-2.15	-
More than 99,999 sf	1.90-2.15	-
High Tech/R&D	3.00-5.50	-

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	3.00-4.00	1.50-2.50
2 to 5 acres	2.25-3.00	1.50-2.25
5 to 10 acres	2.00-2.75	1.25-1.75
More than 10 acres	2.0[illegible]5	1.00-1.75
Unimproved Sites		
Less than 10 acres	n/a	1.00-1.50
10 to 100 acres	n/a	0.75-1.25
More than 100 acres	n/a	0.40-0.75

Outlook

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Down 20%
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Down 10%
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Down 20%
Dollar Volume - Leases	Down 15%

DEMOGRAPHICS

		Rank
Population	2,250,775	19
Population Growth Rate	4.08%	
Unemployment Rate	4.10%	
Median Household Income	$31,994	38
Cost of Living Index	101.9	33

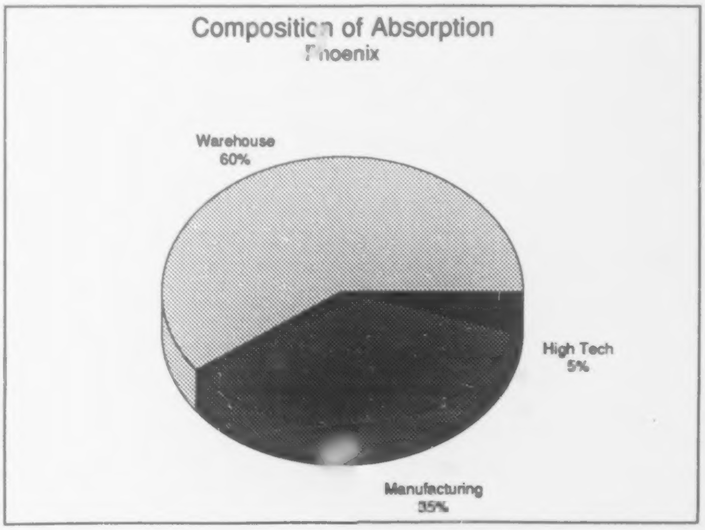
Prime Source of Financing: Owner Financing

Mortgage Money Supply: Tight

Construction Costs	
Less than 5,000 sf	25.00-30.00
5,000 to 19,999 sf	18.00-25.00
20,000 to 39,999 sf	12.00-18.00
40,000 to 59,999 sf	12.00-16.00
60,000 to 99,999 sf	11.00-15.00
More than 99,999 sf	10.00-13.00
High Tech/R&D	50.00-150.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Moderate Shortage
High Tech/R&D	Moderate Oversupply

Composition of Absorption	
Warehouse/Distribution	60%
Manufacturing	35%
High Tech/R&D	5%
Rate of Construction	
Warehouse/Distribution	Down 80%
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Down 25%
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Down 25%
Manufacturing	Same
High Tech/R&D	Same



1990 REVIEW

Leasing activity outpaced the addition of new space in 1990, allowing for the absorption of over 500,000 sq. ft. Tenants typically moved to newer space with added amenities, inspired by favorable rents. Construction activity has trailed off, easing the market's glut. The volume of sales was slipped among warehouse/distribution facilities as financing was difficult to obtain, economic uncertainty fostered restraint, and environmental concerns were an issue.

1991 FORECAST

The existing glut of inventory, as well as the lack of financing, will prevent speculative development. Phoenix is well positioned for the next recovery period because of its low land and labor costs relative to neighboring southern California. Optimism about the future is guarded as the electronic and aerospace industries are not expected to rebound in the near future.

*(Note: Inventory figures include both Central City and Suburban space.)

PITTSBURGH, PENNSYLVANIA: INDUSTRIAL

Pittsburgh, Pennsylvania

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	55,500,000	202,500,000
Vacant	2,775,000	20,250,000
Vacancy Rates	5.0%	10.0%
Under Construction	300,000	1,300,000
Net Absorption	500,000	5,000,000

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	28.00	32.00
5,000 to 19,999 sf	23.00	27.00
20,000 to 39,999 sf	20.00	24.00
40,000 to 59,999 sf	18.00	22.00
60,000 to 99,999 sf	17.00	21.00
More than 99,999 sf	15.00	19.00
High Tech/R&D	35.00	39.00

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	5.00	6.00
5,000 to 19,999 sf	4.00	4.75
20,000 to 39,999 sf	3.50	4.25
40,000 to 59,999 sf	3.25	3.75
60,000 to 99,999 sf	2.85	3.25
More than 99,999 sf	2.50	2.85
High Tech/R&D	8.00	10.00

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	5.00	1.25
2 to 5 acres	3.50	1.25
5 to 10 acres	n/a	1.20
More than 10 acres	n/a	1.00
Unimproved Sites		
Less than 10 acres	n/a	0.75
10 to 100 acres	n/a	0.50
More than 100 acres	n/a	0.35

OUTLOOK

Sales Prices	
Warehouse/Distribution	Up 5%
Manufacturing	Same
High Tech/R&D	Up 7%
Lease Prices	
Warehouse/Distribution	Up 5%
Manufacturing	Same
High Tech/R&D	Up 5%
Site Prices	Up 5%
Absorption	
Warehouse/Distribution	Up 3%
Manufacturing	Up 1%
High Tech/R&D	Up 4%
Construction	
Warehouse/Distribution	Up 5%
Manufacturing	Up 5%
High Tech/R&D	Up 5%
Dollar Volume - Sales	Up 2%
Dollar Volume - Leases	Up 3%

DEMOGRAPHICS

		Rank
Population	2,150,215	22
Population Growth Rate	-0.31%	
Unemployment Rate	4.40%	
Median Household Income	$28,768	77
Cost of Living Index	n/a	n/a

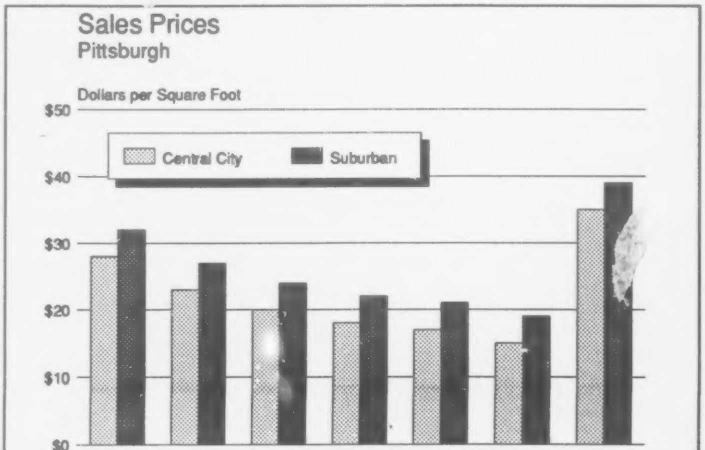
Prime Source of Financing: Owner Financing

Mortgage Money Supply: Tight

Construction Costs	
Less than 5,000 sf	50.00
5,000 to 19,999 sf	40.00
20,000 to 39,999 sf	35.00
40,000 to 59,999 sf	30.00
60,000 to 99,999 sf	28.00
More than 99,999 sf	25.00
High Tech/R&D	80.00

Vacancy Indicators	
Less than 5,000 sf	Substantial Shortage
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Moderate Shortage
60,000 to 99,999 sf	Substantial Shortage
More than 99,999 sf	Substantial Shortage
High Tech/R&D	Substantial Shortage

Composition of Absorption	
Warehouse/Distribution	50%
Manufacturing	20%
High Tech/R&D	30%
Rate of Construction	
Warehouse/Distribution	Up 5%
Manufacturing	Down 5%
High Tech/R&D	Up 10%
Dollar Volume - Sales	
Warehouse/Distribution	Up 5%
Manufacturing	Up 5%
High Tech/R&D	Up 10%
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Up 3%



1990 REVIEW

The Pittsburgh industrial market witnessed a surge in leasing activity, with 5.5 million square feet of net absorption. Vacancy rates fell to an overall rate of 8.9 percent and much of the available space is functionally obsolete. Expansion was fueled both by companies growing within the market and new companies forging a presence. Sony Corporation's acquisition of the Volkwagon Plant in Westmoreland County was the year's biggest news. Building sales and lease prices have held constant while site prices in the suburban market fell marginally.

1991 FORECAST

Pittsburgh's industrial market should exhibit signs of modest pace expansion in 1991. Still reeling from a severe decline in its manufacturing base which persisted through the 1980s, the area is forced to accept continued retrenchment in this sector. The introduction of Sony, however, should boost the manufacturing sector and result in the creation of jobs. Also, Carnegie Mellon University is expected to stimulate High Tech/R&D activities.

PORTLAND, MAINE: INDUSTRIAL

Greater Portland, Maine

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	600,000	4,495,000
Vacant	100,000	275,000
Vacancy Rates	16.7%	6.1%
Under Construction	n/a	100,000
Net Absorption	-40,000	-150,000

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	50.00	45.00
5,000 to 19,999 sf	35.00	30.00
20,000 to 39,999 sf	30.00	30.00
40,000 to 59,999 sf	25.00	30.00
60,000 to 99,999 sf	25.00	25.00
More than 99,999 sf	45.00	45.00
High Tech/R&D	n/a	n/a

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	4.50	4.50
5,000 to 19,999 sf	4.25	4.25
20,000 to 39,999 sf	4.00	4.00
40,000 to 59,999 sf	4.00	4.00
60,000 to 99,999 sf	4.00	4.00
More than 99,999 sf	3.75	3.75
High Tech/R&D	7.00	7.00

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	n/a	1.25
2 to 5 acres	n/a	1.00
5 to 10 acres	n/a	1.00
More than 10 acres	n/a	0.75
Unimproved Sites		
Less than 10 acres	n/a	0.50
10 to 100 acres	n/a	0.40
More than 100 acres	n/a	0.25

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Not Available

Construction Costs	
Less than 5,000 sf	40.00
5,000 to 19,999 sf	35.00
20,000 to 39,999 sf	32.00
40,000 to 59,999 sf	28.00
60,000 to 99,999 sf	26.00
More than 99,999 sf	26.00
High Tech/R&D	50.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Moderate Oversupply
High Tech/R&D	Balanced Market

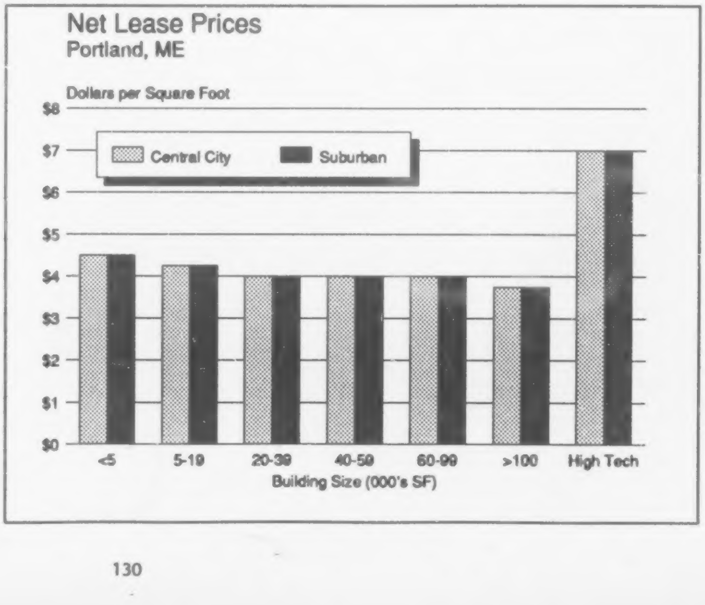
Composition of Absorption	
Warehouse/Distribution	80%
Manufacturing	10%
High Tech/R&D	10%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Down 25%
Manufacturing	Down 25%
High Tech/R&D	Down 25%
Dollar Volume - Leases	
Warehouse/Distribution	Up 25%
Manufacturing	Up 25%
High Tech/R&D	Up 25%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Down 10%
Dollar Volume - Leases	Up 10%

DEMOGRAPHICS

		Rank
Population	208,157	104
Population Growth Rate	0.72%	
Unemployment Rate	3.30%	
Median Household Income	$33,128	30
Cost of Living Index	n/a	n/a



1990 REVIEW

The volume of lease transactions increased by more than 25 percent as local companies upgraded their operation facilities into more efficient space at lower rents. Demand remained constant throughout the year but was outpaced by space additions which resulted in negative net absorption. The regional recession has many industries reassessing their real estate needs. Firms which built their own facilities in the 1980s are trying to sublease part or all of their buildings.

1991 FORECAST

Portland's economy could be the strongest in New England for the near term, buoyed by sustained growth in the non-manufacturing sector. Portland's largest industries, electronic components and accessories, are losing ground, though. Absorption may remain negative as more owner occupied buildings are marketed for sublet. There will be no speculative construction due to the recession and a lack of inclination from banks to finance risky endeavors.

PORTLAND, OREGON: INDUSTRIAL

Portland, Oregon

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	34,000,000	101,000,000
Vacant	2,863,053	8,589,157
Vacancy Rates	8.4%	8.5%
Under Construction	775,000	2,225,000
Net Absorption	450,000	1,350,000

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	38.50	33.00
5,000 to 19,999 sf	35.50	30.00
20,000 to 39,999 sf	32.00	27.50
40,000 to 59,999 sf	31.00	26.50
60,000 to 99,999 sf	26.50	24.50
More than 99,999 sf	25.50	23.00
High Tech/R&D	n/a	63.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	5.25	4.50
5,000 to 19,999 sf	3.91	3.30
20,000 to 39,999 sf	3.36	2.90
40,000 to 59,999 sf	3.10	2.73
60,000 to 99,999 sf	3.00	2.27
More than 99,999 sf	2.87	2.64
High Tech/R&D	n/a	7.44

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	6.75	3.25
2 to 5 acres	5.50	3.00
5 to 10 acres	5.00	2.75
More than 10 acres	4.50	2.50
Unimproved Sites		
Less than 10 acres	n/a	2.00
10 to 100 acres	n/a	1.00
More than 100 acres	n/a	0.50

Prime Source of Financing: Insurance Companies, Commercial Banks

Mortgage Money Supply: Ample

Construction Costs	
Less than 5,000 sf	34.50
5,000 to 19,999 sf	32.20
20,000 to 39,999 sf	30.00
40,000 to 59,999 sf	27.60
60,000 to 99,999 sf	22.50
More than 99,999 sf	20.50
High Tech/R&D	65.00

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Balanced Market
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Moderate Shortage
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Moderate Shortage
High Tech/R&D	Moderate Oversupply

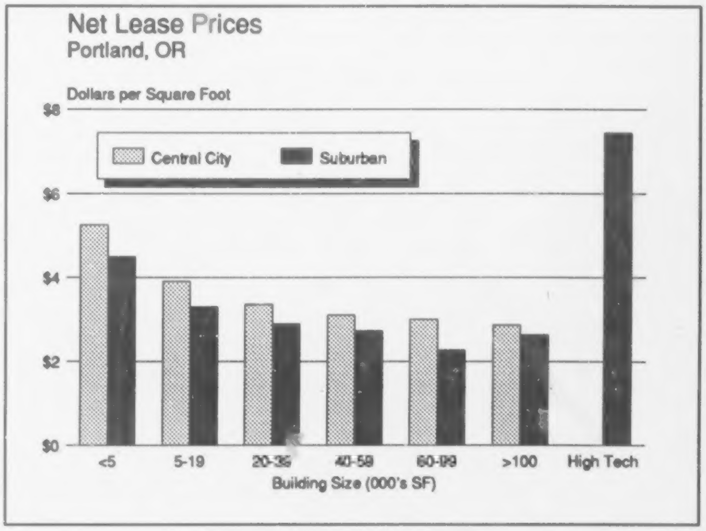
Composition of Absorption	
Warehouse/Distribution	44%
Manufacturing	29%
High Tech/R&D	27%
Rate of Construction	
Warehouse/Distribution	Down 25%
Manufacturing	Down 25%
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Up 50%
Manufacturing	Up 50%
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Up 10%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Down 10%
Lease Prices	
Warehouse/Distribution	Up 5%
Manufacturing	Up 5%
High Tech/R&D	Up 5%
Site Prices	Same
Absorption	
Warehouse/Distribution	Up 10%
Manufacturing	Up 10%
High Tech/R&D	Up 10%
Construction	
Warehouse/Distribution	Down 50%
Manufacturing	Down 50%
High Tech/R&D	Same
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	1,239,156	41
Population Growth Rate	1.15%	
Unemployment Rate	4.40%	
Median Household Income	$27,495	82
Cost of Living Index	105.7	21



1990 REVIEW

Portland's industrial markets continued to mirror the success of the local economy. High-end facilities experienced very good demand levels, with lesser quality buildings losing out. Substantial activity came from users relocating from downtown to the suburban market. Overall, net absorption of 1.8 million sq. ft. helped bring the vacancy rate down to 8.5 percent. Demand for manufacturing facilities surged, representing 29 percent of absorption. With three million sq. ft. underway, construction is outpacing absorption. The sales volume increased by 50 percent, reflecting an attractive environment for foreign investment and user expansion.

1991 FORECAST

Construction activity, which has been strong for several years, will slow by fifty percent for all property types except High Tech/R&D. Absorption is expected to increase as will lease prices. The city's economy is experiencing positive growth boasting a thriving High Tech/R&D sector and a host of distribution services. Slow growth nationally should stagnate manufacturing industries but High Tech/R&D industries should fill the gap.

QUAD CITIES, IOWA/ILLINOIS: INDUSTRIAL

Davenport and Bettendorf, Iowa; Rock Island, Moline, and East Moline, Illinois

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	10,000,000	-
Vacant	3,500,000	-
Vacancy Rates	35.0%	-
Under Construction	200,000	-
Net Absorption	500,000	-

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Moderate

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	24.00	-
5,000 to 19,999 sf	21.00	-
20,000 to 39,999 sf	18.00	-
40,000 to 59,999 sf	15.00	-
60,000 to 99,999 sf	11.00-13.00	-
More than 99,999 sf	10.00-12.00	-
High Tech/R&D	n/a	-

Construction Costs	
Less than 5,000 sf	30.00
5,000 to 19,999 sf	26.00
20,000 to 39,999 sf	24.00
40,000 to 59,999 sf	20.00
60,000 to 99,999 sf	18.00
More than 99,999 sf	16.00
High Tech/R&D	n/a

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	3.50	-
5,000 to 19,999 sf	2.50	-
20,000 to 39,999 sf	2.50	-
40,000 to 59,999 sf	2.50	-
60,000 to 99,999 sf	2.25	-
More than 99,999 sf	2.10	-
High Tech/R&D	n/a	-

Vacancy Indicators	
Less than 5,000 sf	Substantial Shortage
5,000 to 19,999 sf	Substantial Shortage
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Moderate Shortage
60,000 to 99,999 sf	Substantial Shortage
More than 99,999 sf	Substantial Shortage
High Tech/R&D	Substantial Shortage

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	2.50	-
2 to 5 acres	2.00	-
5 to 10 acres	1.25	-
More than 10 acres	0.75	-
Unimproved Sites		
Less than 10 acres	n/a	-
10 to 100 acres	n/a	-
More than 100 acres	n/a	-

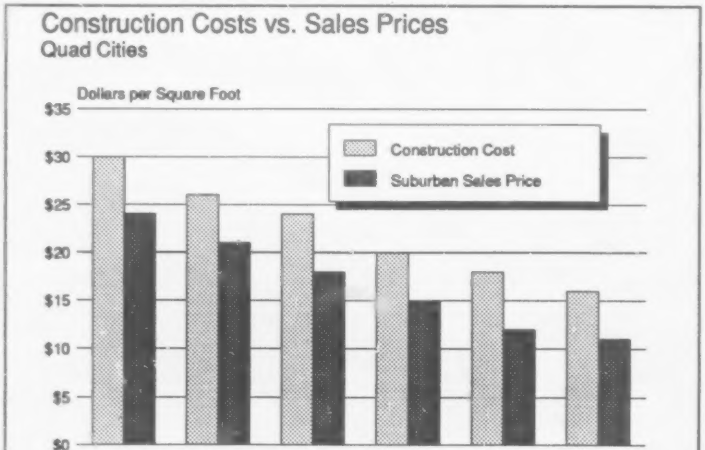
Composition of Absorption	
Warehouse/Distribution	80%
Manufacturing	20%
High Tech/R&D	0%
Rate of Construction	
Warehouse/Distribution	Up 10-15%
Manufacturing	Up 5-7%
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Up 5%
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Up 15%
Manufacturing	Up 5%
High Tech/R&D	n/a

OUTLOOK

Sales Prices	
Warehouse/Distribution	Up 2-5%
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Up 10-15%
Manufacturing	Up 5-10%
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Up 10%
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Up 20%
Manufacturing	Up 5-10%
High Tech/R&D	Up 10%
Dollar Volume - Sales	Up 10%
Dollar Volume - Leases	Up 10-15%

DEMOGRAPHICS

		Rank
Population	382,940	94
Population Growth Rate	-0.03%	
Unemployment Rate	5.70%	
Median Household Income	$28,739	78
Cost of Living Index	102.7	29


Construction Costs vs. Sales Prices
Quad Cities

1990 REVIEW

On target with predictions, some market indicators did improve during 1990 as the local economy began to emerge from the farm recession of the late 1980s. Leasing activity increased, posting 500,000 sq. ft. of absorption. Local companies are actively expanding their operations. Also, companies from outside the area are attracted by its skilled workforce and quality of life. The market however remains burdened with outmoded, older industrial space causing the vacancies to remain at the alarming rate of 35 percent. Speculative development was stifled by the depressed market and the market now suffers from a shortage of modern facilities.

1991 FORECAST

The Quad Cities industrial market is in an excellent position to benefit from an improving economy. Land prices are extremely low, and the price differential between construction costs and sales prices will keep new development reined. This is a small market where vacancy conditions could shift abruptly. The majority of development is in the 50,000 sq. ft. and larger range. SIOR's local reporters believe market indicators will improve smartly in 1991.

RALEIGH, NORTH CAROLINA: INDUSTRIAL

Raleigh, North Carolina

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	2,321,000	17,010,000
Vacant	564,000	2,718,000
Vacancy Rates	24.3%	16.0%
Under Construction	0	151,000
Net Absorption	125,000	1,185,000

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	45.00	40.00
5,000 to 19,999 sf	30.00-40.00	30.00-40.00
20,000 to 39,999 sf	25.00-35.00	30.00-35.00
40,000 to 59,999 sf	20.00-25.00	20.00-25.00
60,000 to 99,999 sf	n/a	18.00-25.00
More than 99,999 sf	n/a	15.00-20.00
High Tech/R&D	n/a	40.00-100.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	4.00	4.75
5,000 to 19,999 sf	3.50	4.00
20,000 to 39,999 sf	2.50	3.00
40,000 to 59,999 sf	2.00	2.00
60,000 to 99,999 sf	1.50	1.50
More than 99,999 sf	1.50	1.50
High Tech/R&D	5.50	7.00

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	8.00	2.50
2 to 5 acres	5.00	2.00
5 to 10 acres	3.50	1.75
More than 10 acres	2.50	1.50
Unimproved Sites		
Less than 10 acres	n/a	1.50
10 to 100 acres	n/a	1.00
More than 100 acres	n/a	0.75

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down 15%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Lease Prices	
Warehouse/Distribution	Down 20%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Site Prices	Down 15%
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 15%
Dollar Volume - Sales	Down 15%
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	698,979	63
Population Growth Rate	2.22%	
Unemployment Rate	2.00%	
Median Household Income	$34,805	22
Cost of Living Index	98.1	52

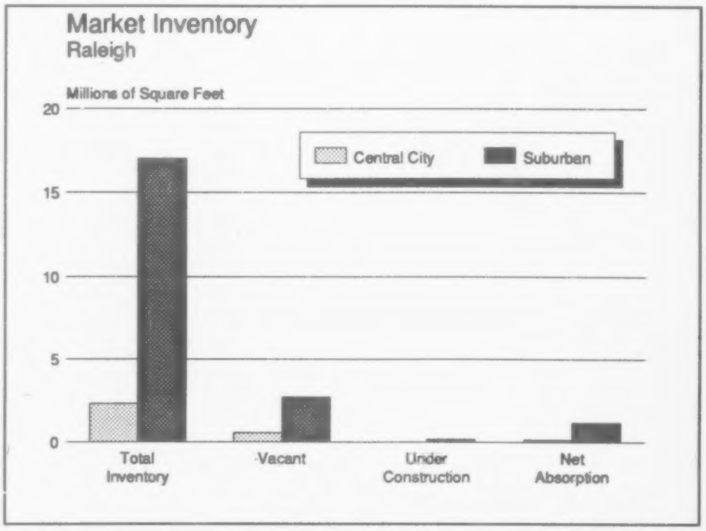
Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Not Available

Construction Costs	
Less than 5,000 sf	32.00
5,000 to 19,999 sf	30.00
20,000 to 39,999 sf	25.00
40,000 to 59,999 sf	24.00
60,000 to 99,999 sf	22.00
More than 99,999 sf	19.00
High Tech/R&D	40.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Moderate Shortage
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Moderate Shortage
High Tech/R&D	Balanced Market

Composition of Absorption	
Warehouse/Distribution	25%
Manufacturing	25%
High Tech/R&D	50%
Rate of Construction	
Warehouse/Distribution	Down 30%
Manufacturing	Down 30%
High Tech/R&D	Down 30%
Dollar Volume - Sales	
Warehouse/Distribution	Down 25%
Manufacturing	Down 40%
High Tech/R&D	Down 30%
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	Down 10%
High Tech/R&D	Same



1990 REVIEW

Raleigh's industrial market is still recovering from overbuilding. Vacancy rates remain high, at 17 percent, but are falling gradually. Net absorption was a strong 1.18 million sq. ft. in the suburban market, but was almost countered by the completion of 1.16 million sq. ft. of new facilities. At year-end, construction slowed to 151,000 sq. ft. Most companies are opting to lease rather than to buy. As a result the dollar volume of sales fell between 25 and 40 percent. The gradual disappearance of rental concessions for the first time in several years suggests that strength is returning to the leasing market.

1991 FORECAST

A diverse regional economy and a strong corporate presence, including IBM, Borroughs Wellcome, and Northern Telecom, help buffer this area against an economic slowdown. Currently the market is stable, but caution must be maintained against speculative overbuilding. All transaction indicators are forecast to decline in 1991.

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Photo Courtesy of Reno News Bureau

Reno, Nevada: Industrial

Reno Metropolitan Area (including Sparks, Nevada)

Market Data

Inventory (sf)	Central City	Suburban
Total	27,215,000	4,855,000
Vacant	2,612,600	267,100
Vacancy Rates	9.6%	5.5%
Under Construction	456,000	15,000
Net Absorption	1,000,000	350,000

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	35.00-75.00	30.00-40.00
5,000 to 19,999 sf	25.00-40.00	22.00-32.00
20,000 to 39,999 sf	22.00-30.00	20.00-27.00
40,000 to 59,999 sf	20.00-27.00	18.00-25.00
60,000 to 99,999 sf	19.00-25.00	17.00-23.00
More than 99,999 sf	18.00-24.00	16.00-22.00
High Tech/R&D	-	-

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	4.20-9.00	3.60-4.80
5,000 to 19,999 sf	3.00-4.80	2.64-3.84
20,000 to 39,999 sf	2.64-3.60	2.40-3.24
40,000 to 59,999 sf	2.40-3.24	2.16-3.00
60,000 to 99,999 sf	2.28-3.00	2.04-2.76
More than 99,999 sf	2.16-2.88	1.92-2.64
High Tech/R&D	5.40-11.40	-

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	2.00-4.00	1.50-3.00
2 to 5 acres	2.00-3.00	1.25-2.50
5 to 10 acres	1.85-2.50	1.00-2.00
More than 10 acres	1.75-2.10	0.75-1.50
Unimproved Sites		
Less than 10 acres	1.50-2.75	0.50-1.25
10 to 100 acres	1.00-1.50	0.25-0.75
More than 100 acres	0.50-1.00	0.10-0.50

Prime Source of Financing: Insurance Companies

Mortgage Money Supply: Tight

Construction Costs	
Less than 5,000 sf	35.00-50.00
5,000 to 19,999 sf	28.00-40.00
20,000 to 39,999 sf	22.00-25.00
40,000 to 59,999 sf	18.00-22.00
60,000 to 99,999 sf	16.00-18.00
More than 99,999 sf	15.00-17.00
High Tech/R&D	30.00

Vacancy Indicators	
Less than 5,000 sf	Substantial Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Substantial Shortage
High Tech/R&D	Balanced Market

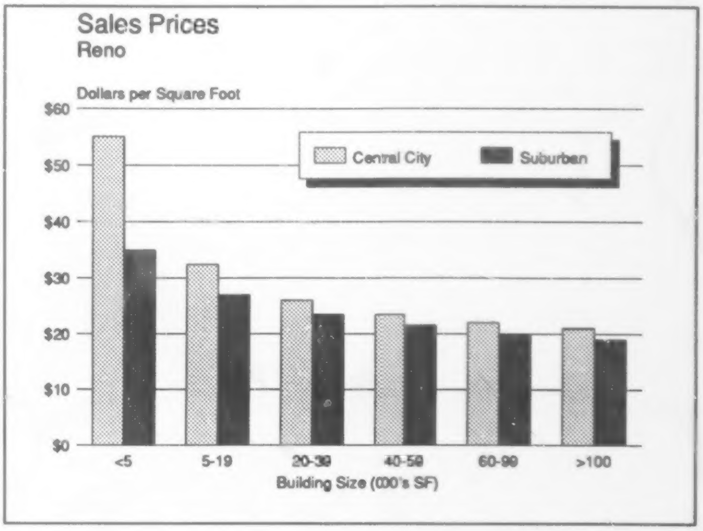
Composition of Absorption	
Warehouse/Distribution	40%
Manufacturing	60%
High Tech/R&D	0%
Rate of Construction	
Warehouse/Distribution	Up 5%
Manufacturing	Up 8%
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Up 15%
Manufacturing	Up 5%
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Up 5%
Manufacturing	Up 5%
High Tech/R&D	Same

Outlook

Sales Prices	
Warehouse/Distribution	Up 3%
Manufacturing	Up 3%
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Up 3%
Manufacturing	Up 3%
High Tech/R&D	Same
Site Prices	Up 3%
Absorption	
Warehouse/Distribution	Same
Manufacturing	Up 3%
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Same
Dollar Volume - Sales	Up 3%
Dollar Volume - Leases	Up 3%

Demographics

		Rank
Population	228,884	103
Population Growth Rate	1.69%	
Unemployment Rate	3.70%	
Median Household Income	$30,022	64
Cost of Living Index	103.1	27



1990 Review

Increasing awareness of Reno as a strategic distribution center is attracting manufacturers, evidenced by the shift in absorption from only 13 percent manufacturing in 1989 to 60 percent in 1990. Preference for ownership over leasing has characterized manufacturers relocations. Local residents voted down a proposed state income tax for corporations in the November election, adding to the attractiveness of the area to new business. As a result of increased demand, large industrial facilities in excess of 60,000 sq. ft. were in short supply.

1991 Forecast

Reno's economy is expected to moderate in 1991 as tourism and construction dip, but the outlook for the industrial market remains positive. Development will continue to move toward the suburbs as sites are becoming scarce in the central city. Increasing demand will cause transaction volume to increase three percent. Speculative building will be slowed by tight financing. These trends will exert upward pressure on lease and sales prices.

Richmond, Virginia: Industrial

City of Richmond, Virginia; Counties of: Chesterfield, Hanover & Henrico

Market Data

Inventory (sf)	Central City	Suburban
Total	4,358,908	13,165,464
Vacant	845,971	3,457,291
Vacancy Rates	19.4%	26.3%
Under Construction	0	398,000
Net Absorption	-265,310	706,630

Prime Source of Financing: Insurance Companies, Commercial Banks

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	30.00	30.00-40.00
5,000 to 19,999 sf	27.00	25.00
20,000 to 39,999 sf	25.00	22.00
40,000 to 59,999 sf	19.00	22.00
60,000 to 99,999 sf	18.00	20.00
More than 99,999 sf	18.00	20.00
High Tech/R&D	n/a	55.00

Construction Costs	
Less than 5,000 sf	30.00
5,000 to 19,999 sf	26.50
20,000 to 39,999 sf	22.00
40,000 to 59,999 sf	22.00
60,000 to 99,999 sf	20.00
More than 99,999 sf	18.00
High Tech/R&D	45.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	4.75	5.50
5,000 to 19,999 sf	3.00	3.50
20,000 to 39,999 sf	2.50	3.25
40,000 to 59,999 sf	2.25	3.00-3.25
60,000 to 99,999 sf	2.25	2.75-3.25
More than 99,999 sf	2.25	2.75-3.25
High Tech/R&D	6.00	6.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Moderate Oversupply
High Tech/R&D	Moderate Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	3.00-3.50	1.75-2.25
2 to 5 acres	2.50	1.50-2.00
5 to 10 acres	1.75	1.00-2.00
More than 10 acres	1.25	1.00-2.00
Unimproved Sites		
Less than 10 acres	1.25	0.75
10 to 100 acres	0.75	0.50-0.75
More than 100 acres	n/a	0.50-0.75

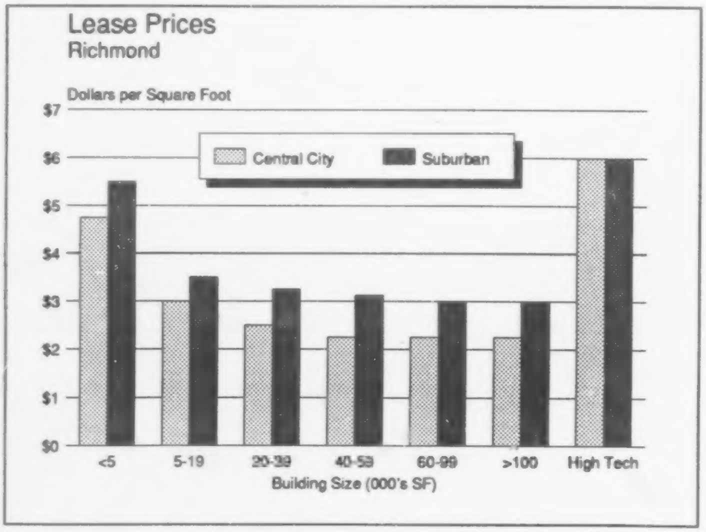
Composition of Absorption	
Warehouse/Distribution	60%
Manufacturing	20%
High Tech/R&D	20%
Rate of Construction	
Warehouse/Distribution	Down 60%
Manufacturing	Down 60%
High Tech/R&D	Down 60%
Dollar Volume - Sales	
Warehouse/Distribution	Down 50%
Manufacturing	Down 50%
High Tech/R&D	Down 50%
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same

Outlook

Sales Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Lease Prices	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Down 5%
Site Prices	Down 5%
Absorption	
Warehouse/Distribution	Up 5%
Manufacturing	Up 5%
High Tech/R&D	Up 5%
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Up 5%
Dollar Volume - Leases	Up 5%

Demographics

		Rank
Population	854,240	57
Population Growth Rate	1.16%	
Unemployment Rate	4.20%	
Median Household Income	$37,226	16
Cost of Living Index	n/a	n/a



1990 Review

A rise in the vacancy rates in both the central city and suburban markets betrayed the oversupply in all size categories. Space additions outpaced leasing activity in the central city market resulting in negative net absorption while over 700,000 sq. ft. was absorbed in the suburban market. A 50 percent decline in the dollar volume of sale transactions indicate a weakened investor market. Lease transactions, on the other hand, have remained steady and suburban lease prices have risen modestly upon the completion of new facilities. Demand for warehouse/distribution space accounted for the largest portion of market activity.

1991 Forecast

The city of Richmond boasts a broadening economic base. Its traditional industries are gradually being supplanted by the non-manufacturing sector. Anti-smoking sentiment has reduced consumer demand for tobacco products and the plastics industry has lost its competitive advantage to other cities. Nevertheless major employers such as Phillip Morris USA, Reynolds Metals, and AT&T Technology still provide a sound industrial base for the city.

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ROANOKE, VIRGINIA: INDUSTRIAL

Roanoke Valley, Virginia (Roanoke City, Roanoke County, City of Salem, and Town of Vinton)

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	1,000,000	3,175,000
Vacant	100,000	265,000
Vacancy Rates	10.0%	8.3%
Under Construction	50,000	150,000
Net Absorption	50,000	135,000

Prime Source of Financing: All Types

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	15.00-20.00	15.00-30.00
5,000 to 19,999 sf	12.00-18.00	15.00-20.00
20,000 to 39,999 sf	10.00-18.00	12.00-25.00
40,000 to 59,999 sf	10.00-16.00	10.00-22.00
60,000 to 99,999 sf	8.00-16.00	10.00-20.00
More than 99,999 sf	8.00-15.00	8.00-20.00
High Tech/R&D	20.00-35.00	25.00-40.00

Construction Costs	
Less than 5,000 sf	24.00
5,000 to 19,999 sf	21.00
20,000 to 39,999 sf	19.00
40,000 to 59,999 sf	18.00
60,000 to 99,999 sf	17.00
More than 99,999 sf	17.00
High Tech/R&D	n/a

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	2.25-4.00	3.00-5.50
5,000 to 19,999 sf	2.00-3.50	2.50-5.00
20,000 to 39,999 sf	1.50-3.00	2.25-4.00
40,000 to 59,999 sf	1.50-2.75	2.00-3.50
60,000 to 99,999 sf	1.50-2.50	1.75-2.75
More than 99,999 sf	1.00-2.00	1.50-2.50
High Tech/R&D	4.50-6.00	4.50-7.00

Vacancy Indicators	
Less than 5,000 sf	Substantial Shortage
5,000 to 19,999 sf	Substantial Shortage
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Moderate Shortage
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Balanced Market
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	1.00-2.50	1.25-2.50
2 to 5 acres	n/a	1.00-2.25
5 to 10 acres	n/a	1.00-2.00
More than 10 acres	n/a	1.00-2.00
Unimproved Sites		
Less than 10 acres	0.75-1.25	0.75-1.25
10 to 100 acres	n/a	0.40-1.00
More than 100 acres	n/a	0.25-0.75

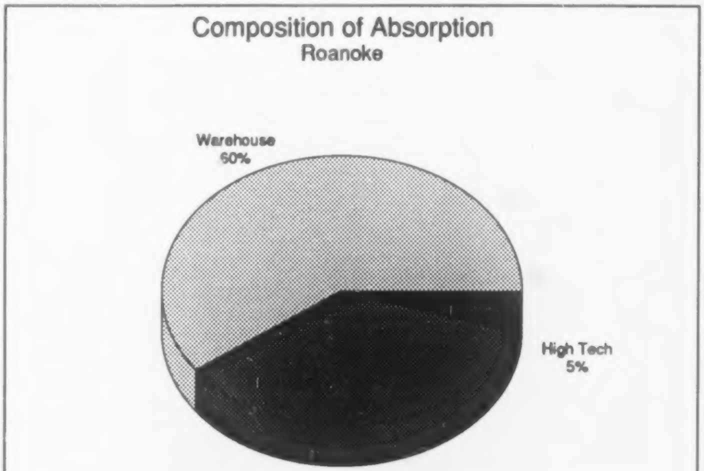
Composition of Absorption	
Warehouse/Distribution	60%
Manufacturing	35%
High Tech/R&D	5%
Rate of Construction	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 25%
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Down 25%
Dollar Volume - Leases	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 25%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Down 10%
Site Prices	Same
Absorption	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 20%
Construction	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 50%
Dollar Volume - Sales	Down 10%
Dollar Volume - Leases	Down 10%

DEMOGRAPHICS

		Rank
Population	229,961	102
Population Growth Rate	0.43%	
Unemployment Rate	3.80%	
Median Household Income	$31,172	48
Cost of Living Index	96.6	57



1990 REVIEW

Leasing demand, though down from 1989, continued to be stronger than investment purchase demand. High construction costs coupled with relatively low lease prices continued to make speculative development uneconomical. With new construction decreases of 10 to 25 percent, Roanoke saw no relief from its tight supply situation. Shortages were reported in all but spaces of 100,000 sq. ft. or larger and High Tech/R&D facilities. Built-to-suit developments dominated the limited new construction activity for the year.

1991 FORECAST

Roanoke has not historically been a "boom or bust" economy, so the current national economic downturn is not expected to severely impact the area. Speculative new construction is expected to continue to be near a stand-still for 1991 in a difficult financing climate. This could result in serious supply shortages of smaller facilities. Absorption and transaction volume will be impacted by this supply problem leading SIOR's local reporter to anticipate a drop of 10 to 20 percent. Any new construction will continue to be from user built-to-suits.

SACRAMENTO, CALIFORNIA: INDUSTRIAL

Sacramento, California

MARKET DATA

Inventory (sf)	Central City*	Suburban
Total	83,198,000	-
Vacant	7,900,000	-
Vacancy Rates	9.5%	-
Under Construction	2,000,000	-
Net Absorption	3,000,000	-

Prime Source of Financing: Insurance Companies

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	60.00	-
5,000 to 19,999 sf	48.00	-
20,000 to 39,999 sf	35.00	-
40,000 to 59,999 sf	30.00	-
60,000 to 99,999 sf	27.00	-
More than 99,999 sf	25.00	-
High Tech/R&D	60.00	-

Construction Costs	
Less than 5,000 sf	30.00
5,000 to 19,999 sf	27.50
20,000 to 39,999 sf	25.00
40,000 to 59,999 sf	24.00
60,000 to 99,999 sf	23.00
More than 99,999 sf	22.00
High Tech/R&D	45.00

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	5.40	-
5,000 to 19,999 sf	3.84	-
20,000 to 39,999 sf	3.12	-
40,000 to 59,999 sf	2.88	-
60,000 to 99,999 sf	2.76	-
More than 99,999 sf	2.40	-
High Tech/R&D	8.40	-

Vacancy Indicators	
Less than 5,000 sf	Moderate Shortage
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Moderate Shortage
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	4.25	-
2 to 5 acres	4.00	-
5 to 10 acres	3.50	-
More than 10 acres	3.00	-
Unimproved Sites		
Less than 10 acres	1.80	-
10 to 100 acres	1.50	-
More than 100 acres	1.25	-

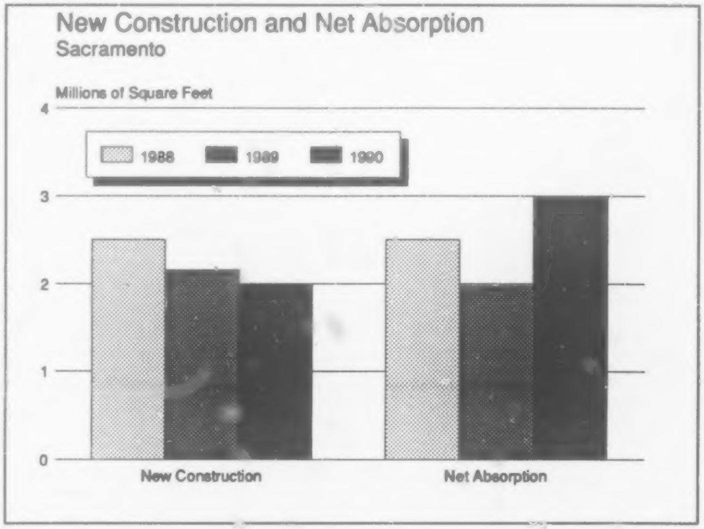
Composition of Absorption	
Warehouse/Distribution	80%
Manufacturing	15%
High Tech/R&D	5%
Rate of Construction	
Warehouse/Distribution	Down 25%
Manufacturing	Down 25%
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Down 10%
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	Down 10%
High Tech/R&D	Same

Outlook

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Up 5%
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Down 25%
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Down 10%
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	1,473,006	30
Population Growth Rate	2.96%	
Unemployment Rate	4.70%	
Median Household Income	$[illegible]307	54
Cost of Living Index	114.5	8


New Construction and Net Absorption
Sacramento

1990 REVIEW

A low cost structure relative to the Bay Area continued to fuel Sacramento's growth in 1990. The industrial market was active in 1990, though demand was down from 1989. Net absorption was strong at 3,000,000 sq. ft., a 52 percent increase over 1989, and was concentrated in the warehouse/distribution sector which comprised 80 percent of total net absorption. Sales and lease prices strengthened especially for spaces less than 20,000 sq. ft. where supply shortages were reported.

1991 FORECAST

Sacramento's prospects for 1991 appear bright as the area is expected to avoid slower economic growth faced by other California metropolitan areas. Speculative new construction is likely to decline due to financing difficulties but absorption is estimated to remain strong, forcing down vacancy rates and creating further supply shortages. Lease prices for warehouse/distribution facilities are estimated by SIOR's local reporters to grow five percent due to supply constraints.

*(Note: Inventory figures include both Central City and Suburban space.)

St. Louis, Missouri: Industrial

St. Louis, Missouri

Market Data

Inventory (sf)	Central City	Suburban
Total	86,000,000	99,700,000
Vacant	1,500,000	6,000,000
Vacancy Rates	1.7%	6.0%
Under Construction	n/a	1,800,000
Net Absorption	n/a	700,000

Prime Source of Financing: Commercial Banks

Mortgage / Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	n/a	35.00
5,000 to 19,999 sf	25.00	33.00
20,000 to 39,999 sf	22.00	28.00
40,000 to 59,999 sf	20.00	25.00
60,000 to 99,999 sf	18.00	23.00
More than 99,999 sf	15.00	20.00
High Tech/R&D	n/a	45.00

Construction Costs	
Less than 5,000 sf	30.00
5,000 to 19,999 sf	27.00
20,000 to 39,999 sf	25.00
40,000 to 59,999 sf	22.00
60,000 to 99,999 sf	20.00
More than 99,999 sf	18.00
High Tech/R&D	37.50

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	n/a	5.00
5,000 to 19,999 sf	3.00	4.50
20,000 to 39,999 sf	2.75	3.80
40,000 to 59,999 sf	2.50	3.50
60,000 to 99,999 sf	2.25	3.25
More than 99,999 sf	2.25	3.25
High Tech/R&D	n/a	8.50

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Balanced Market
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	2.00	2.75
2 to 5 acres	1.75	2.00
5 to 10 acres	1.75	1.75
More than 10 acres	1.50	1.50
Unimproved Sites		
Less than 10 acres	1.00	1.50
10 to 100 acres	n/a	n/a
More than 100 acres	n/a	n/a

Composition of Absorption	
Warehouse/Distribution	75%
Manufacturing	15%
High Tech/R&D	10%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Up 5%
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Up 15%
Manufacturing	Same
High Tech/R&D	Up 10%

Outlook

Sales Prices	
Warehouse/Distribution	Down 12%
Manufacturing	Same
High Tech/R&D	Down 10%
Lease Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Site Prices	Down 15%
Absorption	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Down 50%
Manufacturing	Down 25%
High Tech/R&D	Same
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

Demographics

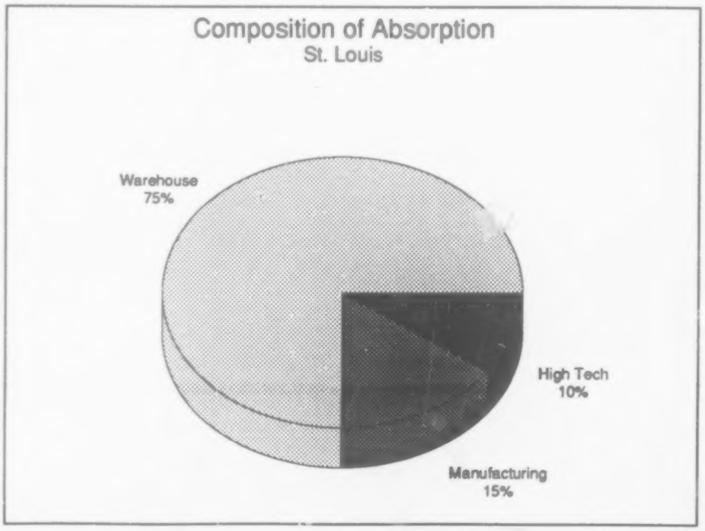
		Rank
Population	2,618,487	12
Population Growth Rate	0.89%	
Unemployment Rate	6.10%	
Median Household Income	$33,398	28
Cost of Living Index	98.1	50

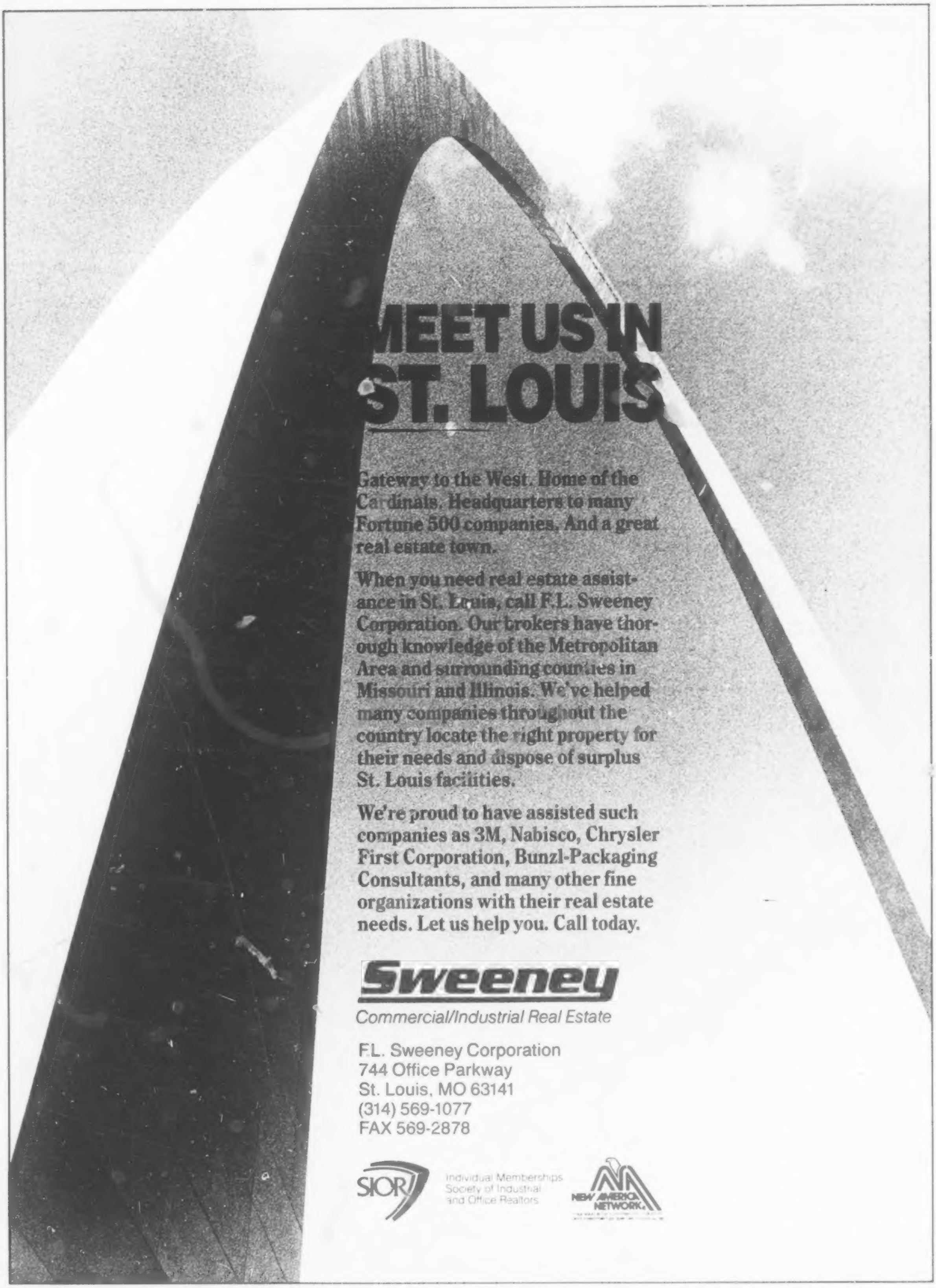
1990 Review

St. Louis' economy showed some signs of slowing in 1990, however its industrial market remained stronger than many others in the nation. True to predictions for 1990, new construction held steady at 1.8 million sq. ft., concentrated in the northwest metropolitan area. Demand for large space of more than 40,000 sq. ft. tapered off and suburban net absorption was down 14.3 percent. Sales and lease prices were flat to declining as a result of increasing vacancy. Chrysler announced the closing of its Fenton plant resulting in a loss of 1,900 jobs.

1991 Forecast

The nation's defense contractors, Mc Donnell Douglas and general Dynamics, expect significant employee layoffs in 1991. The faltering automobile industry impacts the area's economy. St. Louis' reputation as a large distribution center and concentration of industrial space in the warehouse/distribution segment will mitigate some effects of manufacturing declines. However, virtually all industrial market measures are expected to fall off in 1991.





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NEW AMERICA NETWORK

Salt Lake City, Utah: Industrial

Salt Lake City, Ogden, Provo, Utah

Market Data

Inventory (sf)	Central City	Suburban
Total	1,000,000	65,000,000
Vacant	200,000	5,300,000
Vacancy Rates	20.0%	8.2%
Under Construction	0	1,000,000
Net Absorption	20,000	4,000,000

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	20.00	30.00
5,000 to 19,999 sf	18.00	28.00
20,000 to 39,999 sf	16.00	26.00
40,000 to 59,999 sf	16.00	25.00
60,000 to 99,999 sf	16.00	25.00
More than 99,999 sf	16.00	25.00
High Tech/R&D	25.00	25.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	3.00	8.00
5,000 to 19,999 sf	3.00	6.00
20,000 to 39,999 sf	2.00	5.00
40,000 to 59,999 sf	1.00	5.00
60,000 to 99,999 sf	1.00	5.00
More than 99,999 sf	1.00	5.00
High Tech/R&D	4.00	10.00

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	2.00	3.00
2 to 5 acres	1.00	2.00
5 to 10 acres	1.00	1.50
More than 10 acres	1.00	1.00
Unimproved Sites		
Less than 10 acres	1.00	1.00
10 to 100 acres	0.50	0.50
More than 100 acres	0.30	0.30

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Tight

Construction Costs	
Less than 5,000 sf	30.00
5,000 to 19,999 sf	25.00
20,000 to 39,999 sf	20.00
40,000 to 59,999 sf	20.00
60,000 to 99,999 sf	20.00
More than 99,999 sf	20.00
High Tech/R&D	35.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Shortage
5,000 to 19,999 sf	Balanced Market
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Moderate Oversupply
High Tech/R&D	Moderate Shortage

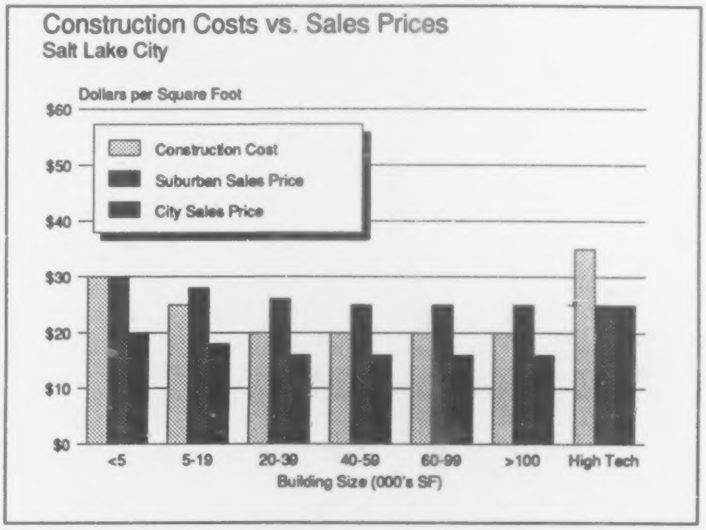
Composition of Absorption	
Warehouse/Distribution	40%
Manufacturing	20%
High Tech/R&D	40%
Rate of Construction	
Warehouse/Distribution	Down 25%
Manufacturing	Down 50%
High Tech/R&D	Down 25%
Dollar Volume - Sales	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Dollar Volume - Leases	
Warehouse/Distribution	Up 10%
Manufacturing	Up 10%
High Tech/R&D	Up 20%

Outlook

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Up 10%
Manufacturing	Up 10%
High Tech/R&D	Up 10%
Site Prices	Same
Absorption	
Warehouse/Distribution	Up 10%
Manufacturing	Up 10%
High Tech/R&D	Up 10%
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Down 10%
Dollar Volume - Sales	Down 10%
Dollar Volume - Leases	Up 10%

Demographics

		Rank
Population	1,087,588	43
Population Growth Rate	1.80%	
Unemployment Rate	4.10%	
Median Household Income	$29,864	66
Cost of Living Index	n/a	n/a



1990 Review

Salt Lake City's industrial market fared well in 1990 with over four million sq. ft. absorbed. Its vacancy rate at year-end was 8.9 percent and availabilities were concentrated among facilities 40,000 sq. ft. and greater. Activity was generated primarily by users seeking distribution or R&D space. Sales volumes were off by comparison as users favored lease transactions.

1991 Forecast

Salt Lake's industrial market is driven by a concentration of biomedical engineering firms, computer firms, aerospace, defense, and distribution related companies. Its low tax, labor, and construction costs are attractive to local and regional businesses. In addition, interstates I-15, I-85, and I-80 converge here, making the city a strategic hub. In 1991, this market will draw on these strengths to propel demand. Once again, sales will be subordinate to lease transactions.

SAN ANTONIO, TEXAS: INDUSTRIAL

San Antonio, Texas

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	12,500,000	41,350,000
Vacant	1,240,000	5,790,000
Vacancy Rates	9.9%	14.0%
Under Construction	0	540,000
Net Absorption	-150,000	1,600,000

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	n/a	20.00-25.00
5,000 to 19,999 sf	n/a	15.00-20.00
20,000 to 39,999 sf	n/a	13.00-18.00
40,000 to 59,999 sf	n/a	12.00-16.00
60,000 to 99,999 sf	n/a	10.00-15.00
More than 99,999 sf	n/a	10.00-13.00
High Tech/R&D	n/a	25.00-35.00

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	2.28-2.64	2.16-2.76
5,000 to 19,999 sf	2.04-2.40	2.04-2.64
20,000 to 39,999 sf	1.92-2.16	1.92-2.52
40,000 to 59,999 sf	1.92-2.16	1.92-2.52
60,000 to 99,999 sf	1.80-2.16	1.80-2.40
More than 99,999 sf	1.68-2.16	1.68-2.16
High Tech/R&D	n/a	5.40-6.00

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	3.00-4.00	1.00-2.50
2 to 5 acres	n/a	1.00-2.50
5 to 10 acres	n/a	0.75-1.60
More than 10 acres	n/a	0.48-1.12
Unimproved Sites		
Less than 10 acres	n/a	0.48-0.82
10 to 100 acres	n/a	0.24-0.62
More than 100 acres	n/a	0.24-0.62

Prime Source of Financing: Insurance Companies

Mortgage Money Supply: Tight

Construction Costs	
Less than 5,000 sf	21.00-25.00
5,000 to 19,999 sf	17.00-21.00
20,000 to 39,999 sf	13.00-16.00
40,000 to 59,999 sf	13.00-16.00
60,000 to 99,999 sf	11.00-13.00
More than 99,999 sf	10.00-11.00
High Tech/R&D	35.00-40.00

Vacancy Indicators	
Less than 5,000 sf	Substantial Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Moderate Shortage
High Tech/R&D	Substantial Oversupply

Composition of Absorption	
Warehouse/Distribution	70%
Manufacturing	10%
High Tech/R&D	20%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Down 10%
Manufacturing	Same
High Tech/R&D	Down 10%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Down 5-10%
Absorption	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Down 5-10%
Dollar Volume - Leases	Same

DEMOGRAPHICS

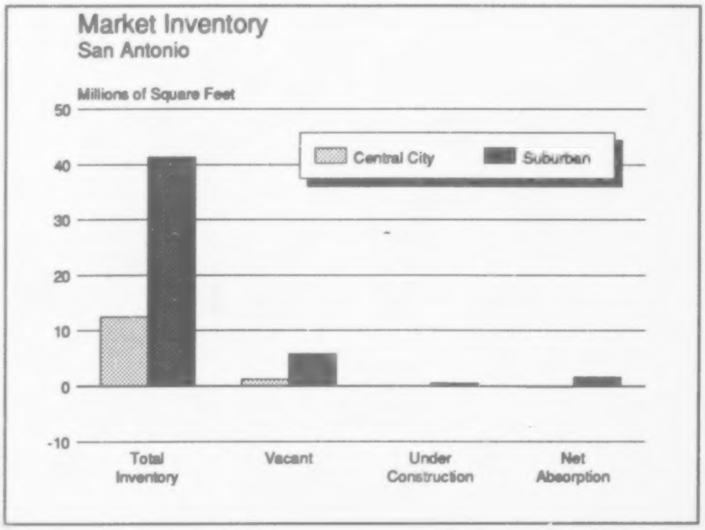
		Rank
Population	1,375,309	36
Population Growth Rate	- 2.52%	
Unemployment Rate	7.10%	
Median Household Income	$25,322	96
Cost of Living Index	94.3	67

1990 REVIEW

Although net absorption of suburban industrial space was strong in San Antonio at 1.6 million sq. ft., it declined 20 percent from 1989. The central city experienced negative net absorption of 150,000 sq. ft. As a result, vacancy increased two percentage points to 13 percent. Declining retail construction is partly responsible for slackening industrial absorption. Weakening demand caused sales prices to remain constant and lease prices to soften. Industrial space of less than 40,000 sq. ft. remained oversupplied while a moderate shortage of space greater than 60,000 sq. ft. was reported.

1991 FORECAST

The economic outlook for San Antonio is relatively bright. The stabilizing effect of extensive military presence and a small stable manufacturing base insulate the area from wide economic swings. The industrial market is expected to remain steady in 1991. High vacancy and a tight money supply will hold new construction at 1990 levels. Local SIOR reporters expect absorption of warehouse/distribution and manufacturing space to decline 10 percent due to user wariness of the national economy.



SAN DIEGO, CALIFORNIA: INDUSTRIAL

San Diego, California

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	28,668,000	32,778,000
Vacant	4,289,000	6,542,000
Vacancy Rates	15.0%	20.0%
Under Construction	1,258,000	1,751,000
Net Absorption	1,317,000	2,422,000

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	75.00-80.00	65.00-70.00
5,000 to 19,999 sf	70.00-75.00	60.00-65.00
20,000 to 39,999 sf	60.00-65.00	50.00-55.00
40,000 to 59,999 sf	55.00-60.00	50.00-55.00
60,000 to 99,999 sf	55.00-60.00	45.00-50.00
More than 99,999 sf	50.00-55.00	45.00-50.00
High Tech/R&D	90.00-100.00	70.00-75.00

Construction Costs	
Less than 5,000 sf	30.00
5,000 to 19,999 sf	25.00-30.00
20,000 to 39,999 sf	23.00-28.00
40,000 to 59,999 sf	20.00-25.00
60,000 to 99,999 sf	18.00-20.00
More than 99,999 sf	15.00-17.00
High Tech/R&D	30.00-35.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	6.60-7.80	5.04-6.00
5,000 to 19,999 sf	6.00-6.60	4.80-5.40
20,000 to 39,999 sf	5.40-6.60	4.80-5.76
40,000 to 59,999 sf	5.04-6.00	4.80-5.76
60,000 to 99,999 sf	5.04-5.76	4.80-5.40
More than 99,999 sf	5.04-5.76	4.56-5.04
High Tech/R&D	9.00-9.60	7.80-9.00

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Moderate Shortage
High Tech/R&D	Substantial Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	12.00-18.00	6.00-8.00
2 to 5 acres	12.00-15.00	6.00-8.00
5 to 10 acres	12.00-15.00	6.00-7.00
More than 10 acres	10.00-15.00	6.00-7.00
Unimproved Sites		
Less than 10 acres	8.00-10.00	4.00-6.00
10 to 100 acres	4.00-6.00	3.00-4.00
More than 100 acres	2.00-4.00	2.00-4.00

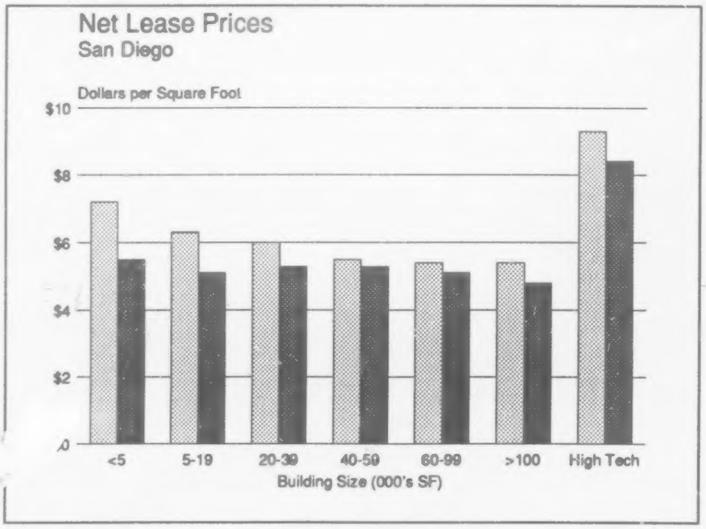
Composition of Absorption	
Warehouse/Distribution	42%
Manufacturing	30%
High Tech/R&D	28%
Rate of Construction	
Warehouse/Distribution	Down 5-10%
Manufacturing	Down 5-10%
High Tech/R&D	Down 10-15%
Dollar Volume - Sales	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 15-20%
Dollar Volume - Leases	
Warehouse/Distribution	Down 15-20%
Manufacturing	Down 15-20%
High Tech/R&D	Down 25-30%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down 2-5%
Manufacturing	Down 2-5%
High Tech/R&D	Down 5-10%
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Down 5-10%
Absorption	
Warehouse/Distribution	Down 3-5%
Manufacturing	Down 3-5%
High Tech/R&D	Down 5-10%
Construction	
Warehouse/Distribution	Down 20-30%
Manufacturing	Down 20-30%
High Tech/R&D	Down 25-35%
Dollar Volume - Sales	Down 10-15%
Dollar Volume - Leases	Down 10-15%

DEMOGRAPHICS

		Rank
Population	2,487,856	14
Population Growth Rate	2.94%	
Unemployment Rate	5.10%	
Median Household Income	$31,350	4
Cost of Living Index	131.2	2



1990 REVIEW

Predictions that the market would slow in 1990 were proven correct, as absorption dropped to 3.7 million sq. ft. and the vacancy rate rose to 19.5 percent. The distribution of absorption was spread through the major property types. However, the supply of High Tech/R&D facilities and smaller blocks of space exceeded demand. A drop off in defense sector activity forced down the dollar volume of sales and lease transactions.

1991 FORECAST

In 1991, San Diego's industrial market is expected to see less overall activity. Slow growth and higher development fees will stall speculative development, potentially creating a tighter marketplace. As national and international companies struggle to become globally competitive, this area's low labor costs, particularly with twin-plant ventures across the border in Mexico, will help spur future growth.

SAN FRANCISCO, CALIFORNIA: INDUSTRIAL

San Francisco, California

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	28,000,000	-
Vacant	2,240,000	-
Vacancy Rates	8.0%	-
Under Construction	0	-
Net Absorption	50,000	-

Prime Source of Financing: Insurance Companies, Commercial Banks

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	65.00-75.00	-
5,000 to 19,999 sf	55.00-65.00	-
20,000 to 39,999 sf	45.00-55.00	-
40,000 to 59,999 sf	45.00-55.00	-
60,000 to 99,999 sf	45.00-55.00	-
More than 99,999 sf	40.00-45.00	-
High Tech/R&D	75.00-105.00	-

Construction Costs	
Less than 5,000 sf	55.00
5,000 to 19,999 sf	32.00
20,000 to 39,999 sf	26.00
40,000 to 59,999 sf	23.00
60,000 to 99,999 sf	20.00
More than 99,999 sf	20.00
High Tech/R&D	55.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	8.00	-
5,000 to 19,999 sf	6.10	-
20,000 to 39,999 sf	4.50	-
40,000 to 59,999 sf	4.50	-
60,000 to 99,999 sf	4.50	-
More than 99,999 sf	4.50	-
High Tech/R&D	10.00	-

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Balanced Market
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	n/a	-
2 to 5 acres	n/a	-
5 to 10 acres	n/a	-
More than 10 acres	n/a	-
Unimproved Sites		
Less than 10 acres	n/a	-
10 to 100 acres	n/a	-
More than 100 acres	n/a	-

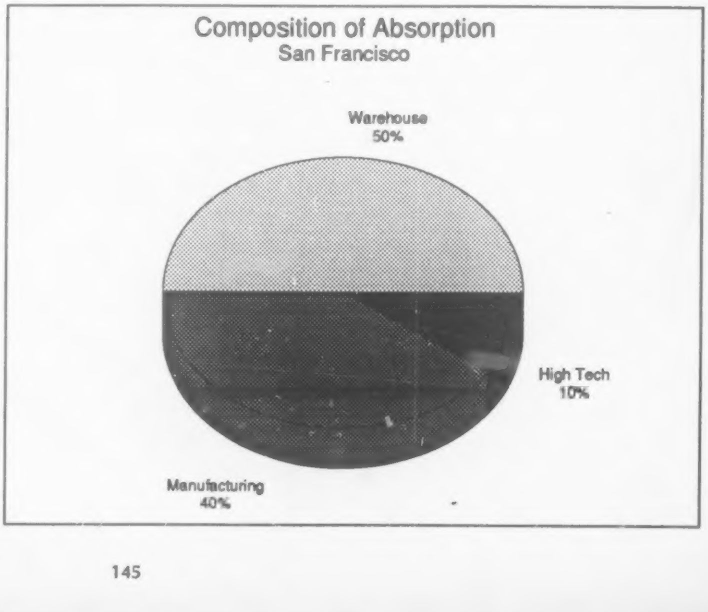
Composition of Absorption	
Warehouse/Distribution	50%
Manufacturing	40%
High Tech/R&D	10%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Down 6-10%
Manufacturing	Down 6-10%
High Tech/R&D	Down 6-10%
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down 1-5%
Manufacturing	Down 1-5%
High Tech/R&D	Down 1-5%
Lease Prices	
Warehouse/Distribution	Down 1-5%
Manufacturing	Down 1-5%
High Tech/R&D	Down 1-5%
Site Prices	Down 6-10%
Absorption	
Warehouse/Distribution	Down 1-5%
Manufacturing	Down 1-5%
High Tech/R&D	Down 1-5%
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Down 11-15%
Dollar Volume - Leases	Down 11-15%

DEMOGRAPHICS

		Rank
Population	1,568,360	29
Population Growth Rate	0.52%	
Unemployment Rate	3.70%	
Median Household Income	$37,646	13
Cost of Living Index	n/a	n/a



1990 REVIEW

After beginning to recover from the tragic earthquake of 1989, San Francisco's industrial market received further setbacks in 1990 from the S&L debacle, the Middle East situation, and statewide economic woes. Sale volumes were not stellar and absorption was a meager 50,000 sq. ft. At year-end, the market was moderately well-balanced with a vacancy rate of eight percent. Space availabilities were concentrated in the 40,000 sq. ft. and under category.

1991 FORECAST

All market indicators are expected to retreat in 1991 as users are concerned with risk-taking in this uncertain atmosphere. Currently, speculative development is ruled out by the inability to secure financing. Future growth in this industrial market will be limited by a lack of available land and high operating costs.

SAN JOSE, CALIFORNIA: INDUSTRIAL

Santa Clara Valley, Santa Clara County, Silicon Valley, and Southern Alameda County

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	-	163,000,000
Vacant	-	24,415,453
Vacancy Rates	-	15.0%
Under Construction	-	n/a
Net Absorption	-	-1,922,000

Prime Source of Financing: Insurance Companies

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	85.00
5,000 to 19,999 sf	-	75.00
20,000 to 39,999 sf	-	70.00
40,000 to 59,999 sf	-	70.00
60,000 to 99,999 sf	-	65.00
More than 99,999 sf	-	65.00
High Tech/R&D	-	90.00

Construction Costs	
Less than 5,000 sf	n/a
5,000 to 19,999 sf	n/a
20,000 to 39,999 sf	35.00
40,000 to 59,999 sf	30.00
60,000 to 99,999 sf	30.00
More than 99,999 sf	30.00
High Tech/R&D	50.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	-	8.40
5,000 to 19,999 sf	-	7.80
20,000 to 39,999 sf	-	7.20
40,000 to 59,999 sf	-	7.80
60,000 to 99,999 sf	-	7.20
More than 99,999 sf	-	7.20
High Tech/R&D	-	9.60

Vacancy Indicators	
Less than 5,000 sf	Moderate Shortage
5,000 to 19,999 sf	Balanced Market
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Substantial Shortage
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	15.00
2 to 5 acres	-	17.50
5 to 10 acres	-	20.00
More than 10 acres	-	17.00
Unimproved Sites		
Less than 10 acres	-	7.00
10 to 100 acres	-	5.00
More than 100 acres	-	-

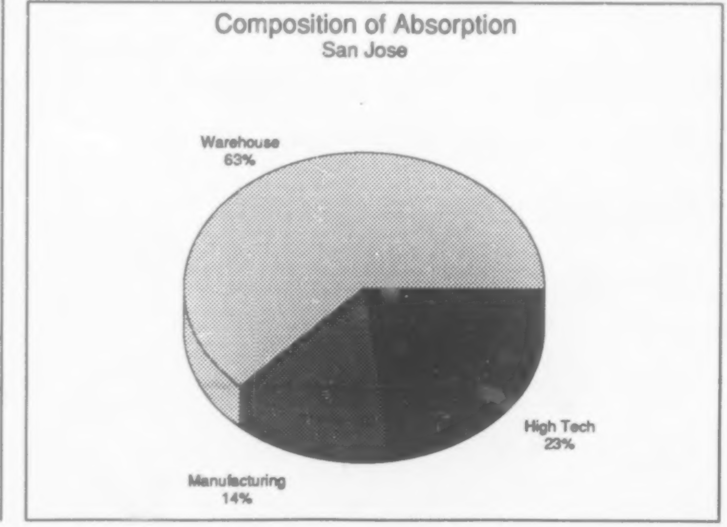
Composition of Absorption	
Warehouse/Distribution	63%
Manufacturing	14%
High Tech/R&D	23%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Down 16%
Manufacturing	Up 11%
High Tech/R&D	Up 16%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Up 5%
Manufacturing	Same
High Tech/R&D	Up 5%
Site Prices	Up 5%
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Same
Dollar Volume - Leases	Up 5%

DEMOGRAPHICS

		Rank
Population	1,461,089	31
Population Growth Rate	1.21%	
Unemployment Rate	4.40%	
Median Household Income	$46,900	5
Cost of Living Index	n/a	n/a



1990 REVIEW

As the nation's focal point for high-tech electronics, Silicon Valley has relied heavily on this industry to sustain demand. Available space increased this year as California joined the nation in recession. The result was negative 1.9 million sq. ft. of absorption. Despite an overall slowdown, there was an increased number of Japanese companies expanding. Absorption was more evenly distributed this year, with warehouse/distribution space capturing 63 percent of all leasing. Land purchases were consummated at record high prices.

1991 FORECAST

Site prices will rise five percent in 1991 as will the rents of distribution and warehouse space. All other indicators will hold steady according to the SIOR outlook. Speculative construction will be confined to the Fremont area and will not be significant. Uncertainty concerning the future of the national defense budget looms over this market and will affect its growth in the near future. The Middle East war was providing some demand stimulus as the *Guide* went to press.

SAN MATEO, CALIFORNIA: INDUSTRIAL

San Mateo, California

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	n/a	65,029,451
Vacant	n/a	4,264,551
Vacancy Rates	n/a	6.6%
Under Construction	n/a	147,519
Net Absorption	n/a	1,730,950

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	n/a	95.00
5,000 to 19,999 sf	n/a	85.00
20,000 to 39,999 sf	n/a	65.00
40,000 to 59,999 sf	n/a	55.00
60,000 to 99,999 sf	n/a	55.00
More than 99,999 sf	n/a	55.00
High Tech/R&D	n/a	100.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	n/a	6.60
5,000 to 19,999 sf	n/a	6.00
20,000 to 39,999 sf	n/a	5.40
40,000 to 59,999 sf	n/a	5.40
60,000 to 99,999 sf	n/a	5.40
More than 99,999 sf	n/a	5.40
High Tech/R&D	n/a	12.00

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	n/a	15.00-20.00
2 to 5 acres	n/a	15.00-20.00
5 to 10 acres	n/a	15.00-20.00
More than 10 acres	n/a	15.00-20.00
Unimproved Sites		
Less than 10 acres	n/a	n/a
10 to 100 acres	n/a	n/a
More than 100 acres	n/a	n/a

Prime Source of Financing: Insurance Companies, Commercial Banks, Pension Funds, Owner Financing

Mortgage Money Supply: Tight

Construction Costs	
Less than 5,000 sf	45.00
5,000 to 19,999 sf	35.00
20,000 to 39,999 sf	32.00
40,000 to 59,999 sf	32.00
60,000 to 99,999 sf	32.00
More than 99,999 sf	32.00
High Tech/R&D	75.00

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Substantial Shortage
40,000 to 59,999 sf	Substantial Shortage
60,000 to 99,999 sf	Substantial Shortage
More than 99,999 sf	Substantial Shortage
High Tech/R&D	Substantial Shortage

Composition of Absorption	
Warehouse/Distribution	50%
Manufacturing	30%
High Tech/R&D	20%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	n/a
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Down 20%
Dollar Volume - Leases	
Warehouse/Distribution	Up 6-10%
Manufacturing	Up 1-5%
High Tech/R&D	Down 20%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Up 1-5%
Manufacturing	Up 1-5%
High Tech/R&D	Up 1-5%
Site Prices	Down 6-10%
Absorption	
Warehouse/Distribution	Same
Manufacturing	Down 1-5%
High Tech/R&D	Down 1-5%
Construction	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Down 5%
Dollar Volume - Sales	Down 6-10%
Dollar Volume - Leases	Down 6-10%

DEMOGRAPHICS

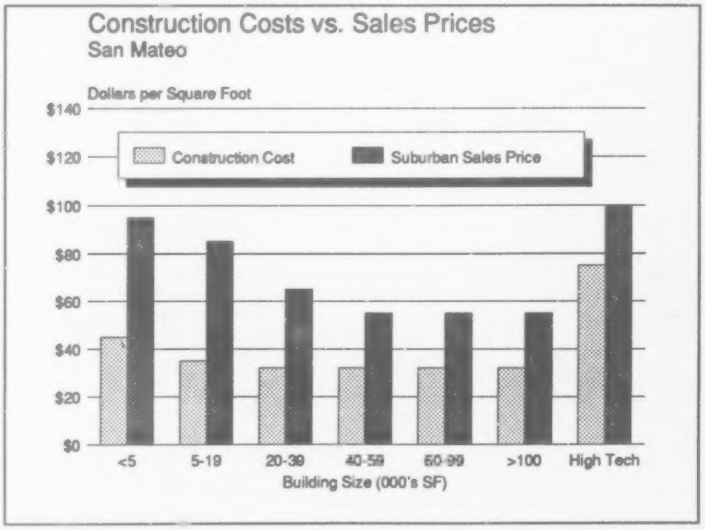
		Rank
Population	641,532	68
Population Growth Rate	0.89%	
Unemployment Rate	4.00%	
Median Household Income	$40,394	11
Cost of Living Index	n/a	n/a

1990 REVIEW

San Mateo has been able to overcome many of the consequences of 1989's earthquake because of its healthy and diversified local economy. Warehouse/distribution demand remained strong in 1990, with biotech and software industries also active. Manufacturing, however, continued to decline as firms left the area. Foreign investors made several large purchases this year. Overall, the market remained tight with only 6.6 percent of its inventory available.

1991 FORECAST

Leasing activity on 1990's level can not be sustained in this drastically undersupplied market. New construction is improbable due to severe financing constraints. Users are forced to expand into retrofitted space in the absence of new product. The outlook is for slower growth and tighter conditions.



SEATTLE-EASTSIDE, WASHINGTON: INDUSTRIAL

Seattle-Eastside, Washington

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	-	14,647,598
Vacant	-	1,073,582
Vacancy Rates	-	7.3%
Under Construction	-	200,000
Net Absorption	-	1,178,840

Prime Source of Financing: Owner Financing

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	60.00
5,000 to 19,999 sf	-	65.00
20,000 to 39,999 sf	-	55.00
40,000 to 59,999 sf	-	55.00
60,000 to 99,999 sf	-	50.00
More than 99,999 sf	-	45.00
High Tech/R&D	-	72.00

Construction Costs	
Less than 5,000 sf	45.00
5,000 to 19,999 sf	42.00
20,000 to 39,999 sf	38.00
40,000 to 59,999 sf	36.00
60,000 to 99,999 sf	32.00
More than 99,999 sf	32.00
High Tech/R&D	50.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	-	6.50
5,000 to 19,999 sf	-	6.00
20,000 to 39,999 sf	-	6.00
40,000 to 59,999 sf	-	5.50
60,000 to 99,999 sf	-	5.00
More than 99,999 sf	-	5.00
High Tech/R&D	-	8.50

Vacancy Indicators	
Less than 5,000 sf	Moderate Shortage
5,000 to 19,999 sf	Balanced Market
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Substantial Shortage
60,000 to 99,999 sf	Substantial Shortage
More than 99,999 sf	Substantial Shortage
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	8.00-10.00
2 to 5 acres	-	7.00
5 to 10 acres	-	7.00
More than 10 acres	-	6.50
Unimproved Sites		
Less than 10 acres	-	3.50
10 to 100 acres	-	n/a
More than 100 acres	-	n/a

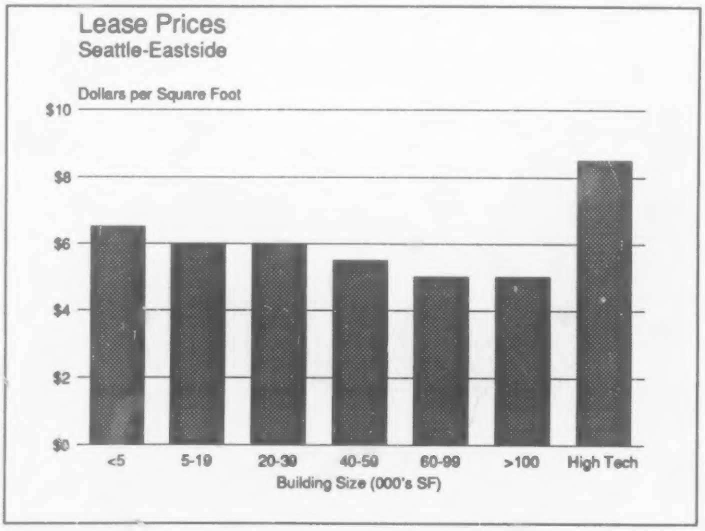
Composition of Absorption	
Warehouse/Distribution	67%
Manufacturing	10%
High Tech/R&D	23%
Rate of Construction	
Warehouse/Distribution	Up 20%
Manufacturing	Up 20%
High Tech/R&D	Up 30%
Dollar Volume - Sales	
Warehouse/Distribution	Up 10%
Manufacturing	Up 10%
High Tech/R&D	Up 15%
Dollar Volume - Leases	
Warehouse/Distribution	Up 5%
Manufacturing	Up 10%
High Tech/R&D	Up 15%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Up 5%
Manufacturing	Up 5%
High Tech/R&D	Up 10%
Lease Prices	
Warehouse/Distribution	Up 8%
Manufacturing	Up 5%
High Tech/R&D	Up 8%
Site Prices	Up 25%
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Same
Dollar Volume - Leases	Up 10%

DEMOGRAPHICS

		Rank
Population	1,867,574	26
Population Growth Rate	1.51%	
Unemployment Rate	3.40%	
Median Household Income	$34,271	23
Cost of Living Index	112.9	11



1990 REVIEW

Last year's 1.2 million sq. ft. of leasing activity brought the vacancy rate down to an all time low of 7.3 percent. Companies previously located in the area generated about 85 pecent of all activity. Demand for warehouse/distribution space outpaced all other property types. Despite strong interest, sales transactions lessened due to a lack of buildings and land on the market. A chronic undersupply of facilities larger than 40,000 sq. ft. caused building prices to rise. Favorable profits at Boeing and Microsoft propelled the economy, which enjoyed its lowest unemployment rate in two decades.

1991 FORECAST

Seattle's industrial market shows no signs of slowing down in 1991. A scarcity of improved sites will cause land prices to climb 25 percent. With only two speculative construction projects slated for occupancy in 1991, sales and lease prices will also rise. Leasing activity should outpace sales transactions. All indicators point to another year of growth and prosperity in Seattle's eastside.

SEATTLE-NORTH & SOUTH, WASHINGTON: INDUSTRIAL

Seattle-North & South

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	56,959,470	93,057,271
Vacant	2,358,096	2,882,867
Vacancy Rates	4.1%	3.1%
Under Construction	24,909	1,381,454
Net Absorption	492,329	1,569,096

Prime Source of Financing: Insurance Companies, Owner Financing

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	40.00-50.00	40.00-50.00
5,000 to 19,999 sf	35.00-40.00	35.00-40.00
20,000 to 39,999 sf	35.00-40.00	35.00-40.00
40,000 to 59,999 sf	30.00-35.00	32.00-35.00
60,000 to 99,999 sf	30.00-35.00	30.00-35.00
More than 99,999 sf	28.00-30.00	28.00-30.00
High Tech/R&D	70.00-90.00	60.00-85.00

Construction Costs	
Less than 5,000 sf	30.00-33.00
5,000 to 19,999 sf	28.00-30.00
20,000 to 39,999 sf	25.00-28.00
40,000 to 59,999 sf	22.00-25.00
60,000 to 99,999 sf	18.00-22.00
More than 99,999 sf	14.00-18.00
High Tech/R&D	45.00-90.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	3.40-4.40	3.00-4.10
5,000 to 19,999 sf	3.40-4.20	3.00-4.00
20,000 to 39,999 sf	3.00-4.20	3.00-3.85
40,000 to 59,999 sf	3.00-4.20	3.00-3.85
60,000 to 99,999 sf	3.00-4.00	3.00-3.60
More than 99,999 sf	3.00-4.00	2.90-3.60
High Tech/R&D	8.00-12.00	8.00-12.00

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Moderate Shortage
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Substantial Shortage
High Tech/R&D	Moderate Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	12.00-20.00	3.50-7.00
2 to 5 acres	12.00-20.00	3.50-7.00
5 to 10 acres	12.00-20.00	3.50-7.00
More than 10 acres	12.00-20.00	2.50-7.00
Unimproved Sites		
Less than 10 acres	n/a	1.00-2.00
10 to 100 acres	n/a	1.00-2.00
More than 100 acres	n/a	0.20-1.00

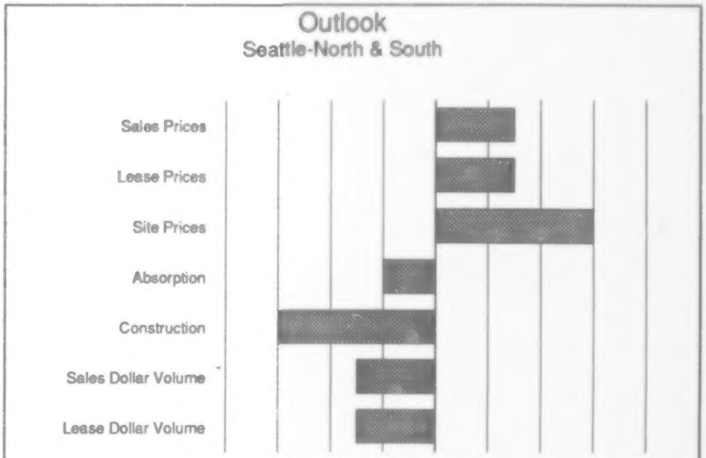
Composition of Absorption	
Warehouse/Distribution	60%
Manufacturing	25%
High Tech/R&D	15%
Rate of Construction	
Warehouse/Distribution	Down 5-10%
Manufacturing	Down 5-10%
High Tech/R&D	Down 5-10%
Dollar Volume - Sales	
Warehouse/Distribution	Down 10-15%
Manufacturing	Down 10-15%
High Tech/R&D	Down 10-15%
Dollar Volume - Leases	
Warehouse/Distribution	Down 10-15%
Manufacturing	Down 10-15%
High Tech/R&D	Down 10-15%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Up 5-10%
Manufacturing	Up 5-10%
High Tech/R&D	Up 5-10%
Lease Prices	
Warehouse/Distribution	Up 5-10%
Manufacturing	Up 5-10%
High Tech/R&D	Up 5-10%
Site Prices	Up 5-25%
Absorption	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Down 5%
Construction	
Warehouse/Distribution	Down 10-20%
Manufacturing	Down 10-20%
High Tech/R&D	Down 10-20%
Dollar Volume - Sales	Down 5-10%
Dollar Volume - Leases	Down 5-10%

DEMOGRAPHICS

		Rank
Population	1,867,574	26
Population Growth Rate	1.51%	
Unemployment Rate	3.40%	
Median Household Income	$34,271	23
Cost of Living Index	112.9	11



1990 REVIEW

Seattle's north and south markets tightened their supply of available space as occupancy rates remained close to 97 percent. Absorption was calculated at 2.1 million sq. ft., 30 percent ahead of last year's strong performance. A scarcity of facilities caused users to expand their existing properties or to move to outlying areas to meet their needs. Speculative development slowed due to a growing concern for the wetlands, a shortage of land, and stringent financing policies. Owners and landlords have increased prices for their limited quantity of available space. The 1.4 million sq. ft. currently under construction will do little to feed the hearty appetite of this market's users.

1991 FORECAST

Reports of a national recession and tightening lending policies are holding back the expansion of Seattle's industrial market. A slow governmental approval process, particularly for obtaining permits, will further inhibit development. Lease and land prices will rise sharply in 1991 because of a lack of available facilities and a lack of developable land.

SHREVEPORT, LOUISIANA: INDUSTRIAL

Shreveport, Louisiana

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	1,000,000	15,000,000
Vacant	300,000	1,100,000
Vacancy Rates	30.0%	7.3%
Under Construction	0	0
Net Absorption	100,000	400,000

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	18.00	20.00
5,000 to 19,999 sf	17.00	20.00
20,000 to 39,999 sf	15.00	17.00
40,000 to 59,999 sf	14.00	16.00
60,000 to 99,999 sf	12.00	15.00
More than 99,999 sf	10.00	15.00
High Tech/R&D	n/a	n/a

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	2.50	3.00
5,000 to 19,999 sf	2.00	2.50
20,000 to 39,999 sf	1.50	2.00
40,000 to 59,999 sf	1.50	2.00
60,000 to 99,999 sf	1.50	1.75
More than 99,999 sf	1.50	1.75
High Tech/R&D	n/a	n/a

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	1.50	1.50
2 to 5 acres	1.25	1.15
5 to 10 acres	n/a	1.00
More than 10 acres	n/a	1.00
Unimproved Sites		
Less than 10 acres	1.00	1.00
10 to 100 acres	n/a	0.50
More than 100 acres	n/a	0.30

Outlook

Sales Prices	
Warehouse/Distribution	Up 5%
Manufacturing	Up 5%
High Tech/R&D	Up 5%
Lease Prices	
Warehouse/Distribution	Up 5%
Manufacturing	Up 5%
High Tech/R&D	Up 0%
Site Prices	Same
Absorption	
Warehouse/Distribution	Up 10%
Manufacturing	Up 10%
High Tech/R&D	Up 0%
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Up 10%
Dollar Volume - Leases	Up 10%

DEMOGRAPHICS

		Rank
Population	379,613	96
Population Growth Rate	1.32%	
Unemployment Rate	7.20%	
Median Household Income	$23,135	107
Cost of Living Index	n/a	n/a

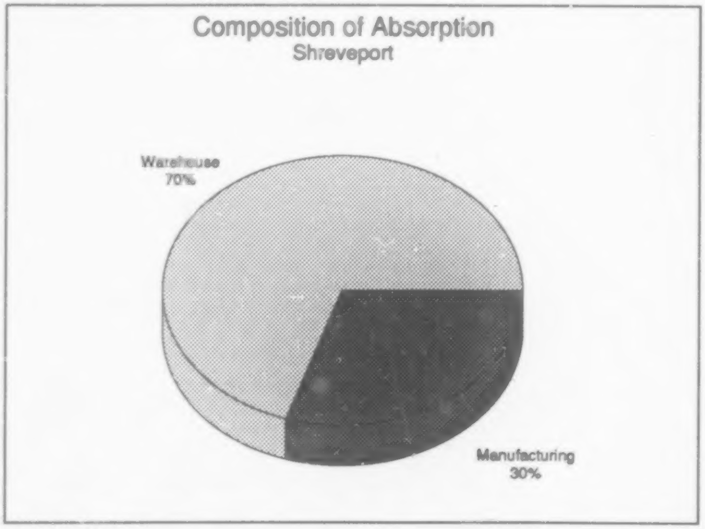
Prime Source of Financing: Insurance Companies, Commercial Banks

Mortgage Money Supply: Tight

Construction Costs	
Less than 5,000 sf	25.00
5,000 to 19,999 sf	25.00
20,000 to 39,999 sf	22.00
40,000 to 59,999 sf	20.00
60,000 to 99,999 sf	17.50
More than 99,999 sf	17.00
High Tech/R&D	n/a

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Substantial Shortage
High Tech/R&D	Substantial Shortage

Composition of Absorption	
Warehouse/Distribution	70%
Manufacturing	30%
High Tech/R&D	0%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Up 10%
Manufacturing	Up 10%
High Tech/R&D	Up 0%
Dollar Volume - Leases	
Warehouse/Distribution	Up 15%
Manufacturing	Up 12%
High Tech/R&D	Up 0%



1990 REVIEW

Shreveport's industrial market made more strides toward recovery in 1990. Net absorption increased to 500,000 sq. ft. and brought down the overall vacancy rate to 8.8 percent. A lack of financing stifled all construction activity. The increased volume of lease and sales transactions left the market with a shortage of facilities larger than 100,000 sq. ft. The significance of manufacturing has been greatly reduced. Manufacturing facilities accounted for only 30 pecent of all absorption versus 75 percent in 1989.

1991 FORECAST

While the local economy is not expected to grow significantly, the outlook for Shreveport's industrial market is positive. Building prices are expected to rise and demand will result in a higher level of absorption. The market will tighten under these conditions, particularly in the absence of new construction.

SIOUX CITY, IOWA: INDUSTRIAL

Sioux City, Iowa-Nebraska-South Dakota

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	2,400,000	4,200,000
Vacant	50,000	100,000
Vacancy Rates	2.1%	2.4%
Under Construction	0	50,000
Net Absorption	150,000	200,000

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Moderate

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	18.00	18.00
5,000 to 19,999 sf	17.00	17.00
20,000 to 39,999 sf	17.00	15.00
40,000 to 59,999 sf	15.00	13.00
60,000 to 99,999 sf	13.00	12.00
More than 99,999 sf	-	10.00
High Tech/R&D	-	-

Construction Costs	
Less than 5,000 sf	25.00
5,000 to 19,999 sf	23.00
20,000 to 39,999 sf	22.00
40,000 to 59,999 sf	20.00
60,000 to 99,999 sf	19.00
More than 99,999 sf	-
High Tech/R&D	-

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	2.50	2.50
5,000 to 19,999 sf	2.00	2.00
20,000 to 39,999 sf	1.80	1.80
40,000 to 59,999 sf	1.50	1.50
60,000 to 99,999 sf	1.35	1.35
More than 99,999 sf	-	1.20
High Tech/R&D	-	-

Vacancy Indicators	
Less than 5,000 sf	Moderate Shortage
5,000 to 19,999 sf	Substantial Shortage
20,000 to 39,999 sf	Substantial Shortage
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	n/a
High Tech/R&D	n/a

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	2.50	3.00
2 to 5 acres	2.25	2.50
5 to 10 acres	-	2.00
More than 10 acres	-	1.00
Unimproved Sites		
Less than 10 acres	0.50	0.30
10 to 100 acres	-	0.20
More than 100 acres	-	0.15

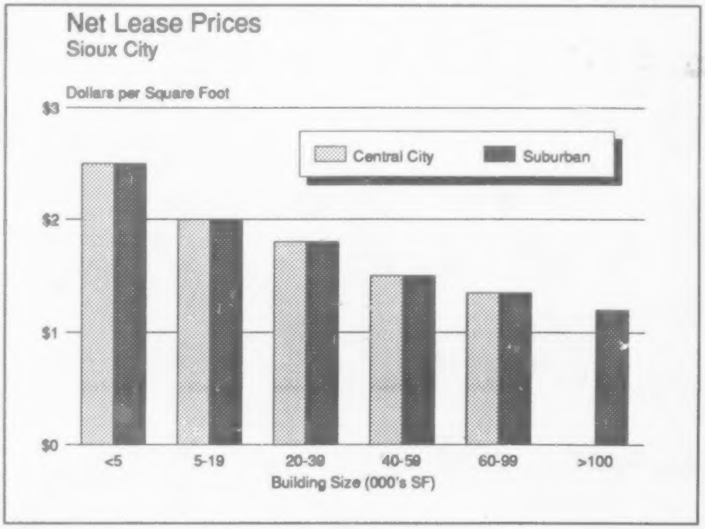
Composition of Absorption	
Warehouse/Distribution	75%
Manufacturing	25%
High Tech/R&D	0%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Up 10%
High Tech/R&D	n/a
Dollar Volume - Sales	
Warehouse/Distribution	Up 5%
Manufacturing	Up 5%
High Tech/R&D	n/a
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	Up 5%
High Tech/R&D	n/a

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Up 5%
Manufacturing	Up 5%
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Up 5%
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Up 5%
High Tech/R&D	Same
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	118,725	111
Population Growth Rate	0.11%	
Unemployment Rate	3.90%	
Median Household Income	$25,301	98
Cost of Living Index	100.3	42



1990 REVIEW

Sioux City boasts a healthy, growing industrial market. Demand levels remained steady, untouched by national fears of recession. Telemarketing companies were particularly active space users in 1990. Absorption, which registerd 350,000 sq. ft., helped to push vacancy rates down to under three percent. Conservative building policies have kept supply levels tight. There is a shortage of properties smaller than 40,000 square feet. A rise in demand for manufacturing facilities was met by a 10 percent increase in the construction of this property type.

1991 FORECAST

This market will continue to enjoy a period of positive growth through 1991. With occupancy levels approaching 98 percent and steady demand forecast, this market will tighten further. Speculative construction will continue to be the exception. Lenders will be financing build-to-suit projects to meet companies needs. The manufacturing sector is expected to capture another five percent of total leasing activity while increasing its inventory by five percent.

South Bend, Indiana: Industrial

South Bend/Elkhart, Indiana

Market Data

Inventory (sf)	Central City	Suburban
Total	10,000,000	37,000,000
Vacant	500,000	3,700,000
Vacancy Rates	5.0%	10.0%
Under Construction	0	0
Net Absorption	250,000	185,000

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	25.00	25.00
5,000 to 19,999 sf	21.00	21.00
20,000 to 39,999 sf	18.00	18.00
40,000 to 59,999 sf	15.00	15.00
60,000 to 99,999 sf	13.00	13.00
More than 99,999 sf	12.00	12.00
High Tech/R&D	-	-

Construction Costs	
Less than 5,000 sf	25.00
5,000 to 19,999 sf	23.00
20,000 to 39,999 sf	20.00
40,000 to 59,999 sf	15.00
60,000 to 99,999 sf	13.50
More than 99,999 sf	13.00
High Tech/R&D	-

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	2.75	2.75
5,000 to 19,999 sf	2.50	2.50
20,000 to 39,999 sf	2.30	2.30
40,000 to 59,999 sf	2.25	2.25
60,000 to 99,999 sf	2.00	2.00
More than 99,999 sf	1.75	1.75
High Tech/R&D	-	-

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Balanced Market
High Tech/R&D	

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	0.65	0.65
2 to 5 acres	0.60	0.60
5 to 10 acres	0.55	0.55
More than 10 acres	0.50	0.50
Unimproved Sites		
Less than 10 acres	0.34	0.34
10 to 100 acres	0.20	0.20
More than 100 acres	0.10	0.10

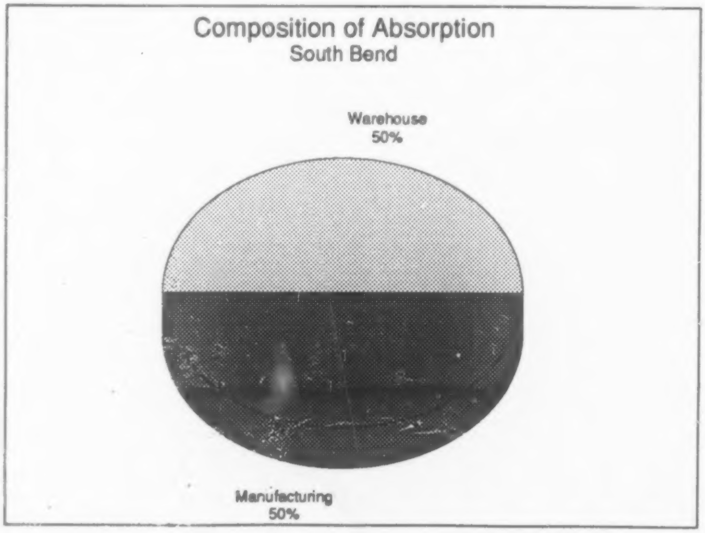
Composition of Absorption	
Warehouse/Distribution	50%
Manufacturing	50%
High Tech/R&D	0%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Down 5%
Dollar Volume - Leases	
Warehouse/Distribution	Down 5%
Manufacturing	Down 10%
High Tech/R&D	Same

Outlook

Sales Prices	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

Demographics

		Rank
Population	251,386	101
Population Growth Rate	0.40%	
Unemployment Rate	5.00%	
Median Household Income	$29,518	69
Cost of Living Index	94.9	64



1990 Review

With a vacancy rate of 8.9 percent and various market segments suffering from an oversupply, activity can be characterized as slow. As forecast a year ago, the bumpy landing of the national economy was particularly felt in South Bend. Demand did increase over the course of the year resulting in net absorption of 435,000 sq. ft. The market relied on both warehouse/distribution and heavy manufacturing to generate demand for industrial space. As commercial banks have restricted lending policies there was no construction activity as of year-end.

1991 Forecast

South Bend's economy is generally healthy, despite the decline in consumer demand for cars. The new Inland/Nippon steel plant has marginally helped the manufacturing sector. An anticipated decrease in employment among manufacturers will result in flat demand for facilities. Movement in the market will be slow, with rents and sales prices dropping in response.

SPOKANE, WASHINGTON: INDUSTRIAL

Spokane, Washington

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	n/a	n/a
Vacant	n/a	n/a
Vacancy Rates	n/a	n/a
Under Construction	n/a	n/a
Net Absorption	n/a	n/a

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	20.00	21.00
5,000 to 19,999 sf	17.50	18.50
20,000 to 39,999 sf	15.00	16.00
40,000 to 59,999 sf	14.00	15.25
60,000 to 99,999 sf	n/a	14.00
More than 99,999 sf	n/a	13.75
High Tech/R&D	n/a	n/a

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	3.00	3.00
5,000 to 19,999 sf	3.00	3.00
20,000 to 39,999 sf	2.75	2.75
40,000 to 59,999 sf	n/a	2.65
60,000 to 99,999 sf	n/a	2.25
More than 99,999 sf	n/a	2.00
High Tech/R&D	3.60	3.60

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	1.50-3.00	0.50-2.00
2 to 5 acres	1.50-3.00	0.50-2.00
5 to 10 acres	1.00-2.50	0.50-2.00
More than 10 acres	1.00-2.00	0.50-2.00
Unimproved Sites		
Less than 10 acres	n/a	0.50-1.50
10 to 100 acres	n/a	0.35-1.00
More than 100 acres	n/a	0.25-0.50

OUTLOOK

Sales Prices	
Warehouse/Distribution	Up 8%
Manufacturing	Up 6%
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Up 15%
Manufacturing	Up 12%
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Up 15%
Manufacturing	Up 7%
High Tech/R&D	Up 10%
Construction	
Warehouse/Distribution	Up 50%
Manufacturing	Up 25%
High Tech/R&D	Up 10%
Dollar Volume - Sales	Up 15%
Dollar Volume - Leases	Up 15%

DEMOGRAPHICS

		Rank
Population	373,355	97
Population Growth Rate	0.89%	
Unemployment Rate	n/a	
Median Household Income	$25,053	99
Cost of Living Index	98.1	51

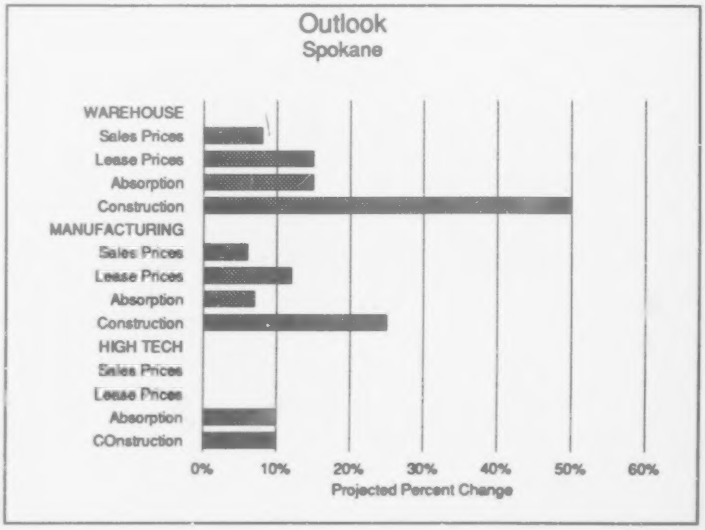
Prime Source of Financing: Commercial Banks, Owner Financing

Mortgage Money Supply: Moderate

Construction Costs	
Less than 5,000 sf	21.00
5,000 to 19,999 sf	19.00
20,000 to 39,999 sf	17.50
40,000 to 59,999 sf	16.00
60,000 to 99,999 sf	15.00
More than 99,999 sf	15.00
High Tech/R&D	n/a

Vacancy Indicators	
Less than 5,000 sf	Substantial Shortage
5,000 to 19,999 sf	Substantial Shortage
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Moderate Shortage
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Moderate Shortage
High Tech/R&D	Moderate Shortage

Composition of Absorption	
Warehouse/Distribution	60%
Manufacturing	30%
High Tech/R&D	10%
Rate of Construction	
Warehouse/Distribution	Up 30%
Manufacturing	Up 10%
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Up 20%
Manufacturing	Up 20%
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Up 31%
Manufacturing	Up 22%
High Tech/R&D	Same



1990 REVIEW

Demand in the Spokane industrial market continues to be strong causing a lack of available quality space. Growth has been fueled by a strongly pro-business climate enhanced by a low cost of living and a high quality of life. Sales and lease prices edged up, but more importantly, the dollar volume of sales and leases increased from 20 to 30 percent. Absorption was dominated by warehouse/distribution space followed by manufacturing space with minimal demand for High Tech/R&D facilities.

1991 FORECAST

Spokane's industrial market will continue on the path of positive growth. With the exception of the High Tech/R&D market, which has been consistently slow, all property types are projected to experience a rise in rent and concurrently an increase in leasing activity. A long-awaited surge in construction is anticipated to answer the needs of space users.

SPRINGFIELD, MASSACHUSETTS: INDUSTRIAL

Springfield, Chicopee, Holyoke, Westfield, and West Springfield, Massachusetts

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	n/a	n/a
Vacant	n/a	n/a
Vacancy Rates	n/a	n/a
Under Construction	n/a	n/a
Net Absorption	n/a	n/a

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Not Available

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	n/a	35.00-65.00
5,000 to 19,999 sf	n/a	30.00-45.00
20,000 to 39,999 sf	n/a	25.00-40.00
40,000 to 59,999 sf	n/a	20.00-35.00
60,000 to 99,999 sf	n/a	18.00-25.00
More than 99,999 sf	n/a	18.00-25.00
High Tech/R&D	n/a	n/a

Construction Costs	
Less than 5,000 sf	65.00
5,000 to 19,999 sf	38.00-55.00
20,000 to 39,999 sf	30.00
40,000 to 59,999 sf	28.00
60,000 to 99,999 sf	24.00
More than 99,999 sf	22.00
High Tech/R&D	65.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	5.00	5.50
5,000 to 19,999 sf	4.50	5.50
20,000 to 39,999 sf	3.50	4.50
40,000 to 59,999 sf	3.50	4.25
60,000 to 99,999 sf	3.25	4.00
More than 99,999 sf	3.00	3.50
High Tech/R&D	n/a	n/a

Vacancy Indicators	
Less than 5,000 sf	Moderate Shortage
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Moderate Oversupply
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	3.50	1.85
2 to 5 acres	3.50	1.75
5 to 10 acres	n/a	1.15
More than 10 acres	n/a	1.15
Unimproved Sites		
Less than 10 acres	n/a	1.45
10 to 100 acres	n/a	1.10
More than 100 acres	n/a	0.75

Composition of Absorption	
Warehouse/Distribution	70%
Manufacturing	30%
High Tech/R&D	0%
Rate of Construction	
Warehouse/Distribution	Down 50%
Manufacturing	Down 50%
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Down 40%
Manufacturing	Down 50%
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Down 40%
Manufacturing	Down 40%
High Tech/R&D	Same

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Down 40%
Manufacturing	Down 40%
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Down 50%
Manufacturing	Down 50%
High Tech/R&D	Same
Dollar Volume - Sales	Down 50%
Dollar Volume - Leases	Down 40%

DEMOGRAPHICS

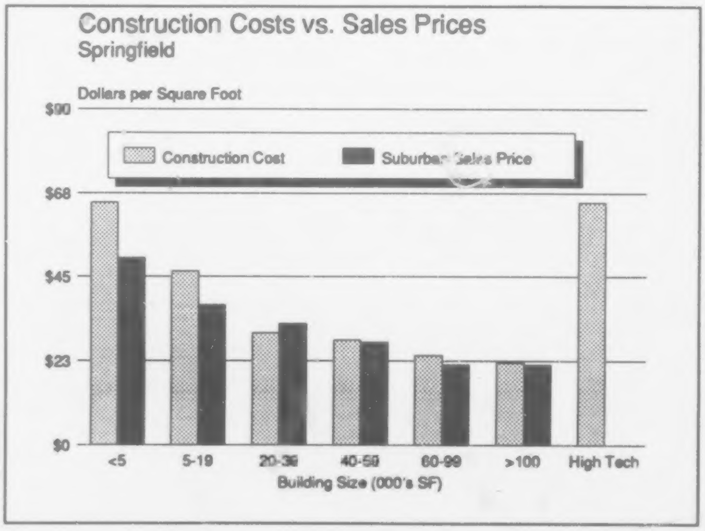
		Rank
Population	515,928	80
Population Growth Rate	0.01%	
Unemployment Rate	6.00%	
Median Household Income	$33,844	27
Cost of Living Index	118.5	7

1990 REVIEW

Massachusetts' dire financial conditions have permeated the state and held the city of Springfield in neutral. Market activity was flat in 1990 with few transactions. Milton Bradley, Digital, and Smith and Wesson all reported slower business activity and reductions in staff. Companies began to offer excess space for sublease. The availability of facilities thus increased this year despite a lack of new construction, resulting in an oversupply of property types except buildings under 5,000 sq. ft.

1991 FORECAST

Further retrenchment is predicted for Springfield's industrial market in 1991. Prices which remained flat in 1990, will drop by 10 percent and the overall volume of transactions will be reduced by half. As local banks are still reeling from the consequences of signing numerous bad real estate loans, construction financing will be impossible to obtain. Absorption will slow by an estimated 40 percent, further widening the gap between supply and demand.



STAMFORD/NORWALK, CONNECTICUT: INDUSTRIAL

Stamford/Norwalk, Connecticut

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	18,950,000	-
Vacant	1,300,000	-
Vacancy Rates	6.9%	-
Under Construction	0	-
Net Absorption	100,000	-

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	130.00	-
5,000 to 19,999 sf	110.00	-
20,000 to 39,999 sf	80.00	-
40,000 to 59,999 sf	70.00	-
60,000 to 99,999 sf	n/a	-
More than 99,999 sf	n/a	-
High Tech/R&D	130.00	-

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	8.50	-
5,000 to 19,999 sf	7.00	-
20,000 to 39,999 sf	6.00	-
40,000 to 59,999 sf	n/a	-
60,000 to 99,999 sf	n/a	-
More than 99,999 sf	n/a	-
High Tech/R&D	12.00	-

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	20.00	-
2 to 5 acres	n/a	-
5 to 10 acres	n/a	-
More than 10 acres	n/a	-
Unimproved Sites		
Less than 10 acres	n/a	-
10 to 100 acres	n/a	-
More than 100 acres	n/a	-

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Tight

Construction Costs	
Less than 5,000 sf	60.00
5,000 to 19,999 sf	50.00
20,000 to 39,999 sf	45.00
40,000 to 59,999 sf	45.00
60,000 to 99,999 sf	45.00
More than 99,999 sf	45.00
High Tech/R&D	60.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Shortage
5,000 to 19,999 sf	Balanced Market
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Balanced Market
High Tech/R&D	Balanced Market

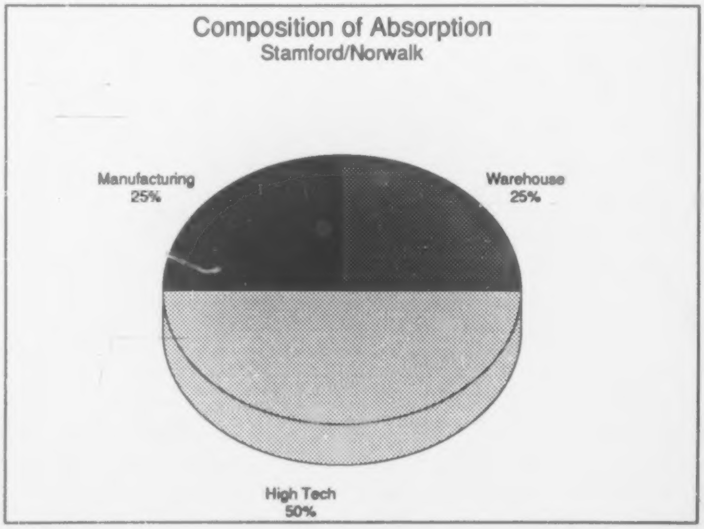
Composition of Absorption	
Warehouse/Distribution	25%
Manufacturing	25%
High Tech/R&D	50%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Down 25%
Manufacturing	Down 25%
High Tech/R&D	Down 25%
Dollar Volume - Leases	
Warehouse/Distribution	Down 25%
Manufacturing	Down 25%
High Tech/R&D	Down 25%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	192,562	105
Population Growth Rate	-0.32%	
Unemployment Rate	3.60%	
Median Household Income	$65,933	1
Cost of Living Index	n/a	n/a



1990 REVIEW

Stamford's industrial market posted moderate gains in 1990, with absorption swinging positive to 100,000 sq. ft. Vacancy rates held steady at 6.9 percent as the supply of available space moved into balance with existing demand levels. The concentration of leasing activity shifted to the High Tech/R&D market which captured 50 percent of all transactions. Although prices remained unchanged, the overall volume of transactions was down and both tenant and owner-user demand was slow.

1991 FORECAST

SIOR's market reporter observes that existing companies have contemplated relocating because of the high cost of operating in the area. The market, therefore, will have to look to outside interest to boost waning demand. The market should not see any substantive change in 1991 but can hope for moderate improvement akin to 1990's performance. Conditions will tighten gradually if the absence of new construction and the continuation of positive absorption levels persist into 1992.

STOCKTON, CALIFORNIA: INDUSTRIAL

Stockton (Central City) Manteca, Tracy (Suburban), California

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	14,700,000	11,215,000
Vacant	2,025,100	1,127,100
Vacancy Rates	13.8%	10.0%
Under Construction	620,000	3,150,000
Net Absorption	965,000	615,000

Prime Source of Financing: n/a

Mortgage Money Supply: Not Available

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	35.00	35.00
5,000 to 19,999 sf	32.00	32.00
20,000 to 39,999 sf	28.00	28.00
40,000 to 59,999 sf	28.00	28.00
60,000 to 99,999 sf	26.00	26.00
More than 99,999 sf	24.00	24.00
High Tech/R&D	50.00	n/a

Construction Costs	
Less than 5,000 sf	23.00
5,000 to 19,999 sf	21.00
20,000 to 39,999 sf	17.00
40,000 to 59,999 sf	14.50
60,000 to 99,999 sf	13.00
More than 99,999 sf	11.50
High Tech/R&D	25.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	3.60	3.60
5,000 to 19,999 sf	3.00	3.00
20,000 to 39,999 sf	2.88	2.88
40,000 to 59,999 sf	2.88	2.88
60,000 to 99,999 sf	2.76	2.76
More than 99,999 sf	2.64	2.64
High Tech/R&D	7.50	n/a

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Balanced Market
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Substantial Oversupply
High Tech/R&D	Moderate Shortage

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	2.75	2.75
2 to 5 acres	2.25	2.25
5 to 10 acres	2.00	2.00
More than 10 acres	1.80	1.80
Unimproved Sites		
Less than 10 acres	1.50	1.50
10 to 100 acres	0.80	0.80
More than 100 acres	0.60	0.60

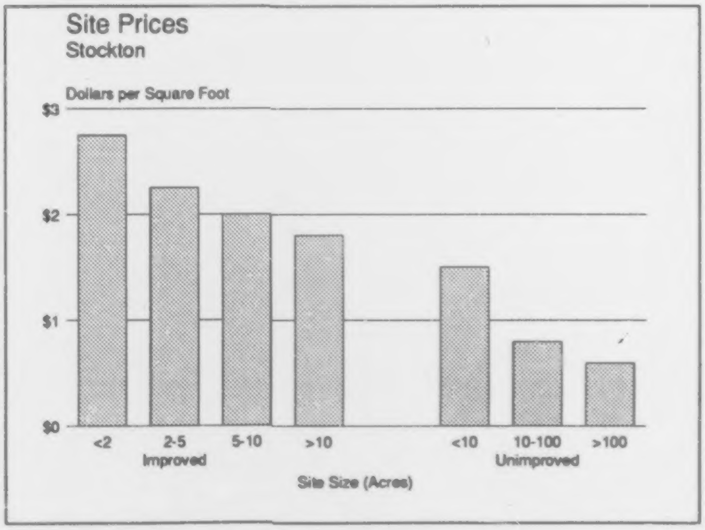
Composition of Absorption	
Warehouse/Distribution	90%
Manufacturing	10%
High Tech/R&D	0%
Rate of Construction	
Warehouse/Distribution	Up 22%
Manufacturing	Up 5%
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Down 20%
Manufacturing	Down 15%
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Down 15%
Manufacturing	Same
High Tech/R&D	Up 5%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Up 5%
Manufacturing	Up 5%
High Tech/R&D	Same
Site Prices	Up 7%
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Up 6%
Dollar Volume - Leases	Up 10%

DEMOGRAPHICS

		Rank
Population	471,312	84
Population Growth Rate	3.10%	
Unemployment Rate	8.00%	
Median Household Income	$27,150	85
Cost of Living Index	n/a	n/a



1990 REVIEW

Stockton's industrial market revealed no surprises in 1990, as activity remained on a par with 1989. Absorption reached 1.6 million sq. ft. and the vacancy rate held at 12.2 percent. The majority of construction activity has focused on owner-occupied facilities. Many users purchased sites and have developed them according to their needs. Speculative development dried up due to oversupply conditions for most property types.

1991 FORECAST

SIOR's reporter predicts stable market conditions in 1991. Lease and site prices will rise moderately, increasing the overall dollar volume of transactions. Vacancies among the existing stock of available space will persist as users continue to build their own facilities. Speculative development will be delayed until lending institutions loosen their constraints.

SYRACUSE, NEW YORK: INDUSTRIAL

Syracuse, New York

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	n/a	n/a
Vacant	n/a	n/a
Vacancy Rates	n/a	n/a
Under Construction	n/a	n/a
Net Absorption	n/a	n/a

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	22.00-26.00	16.00-34.00
5,000 to 19,999 sf	22.00-25.00	16.00-24.00
20,000 to 39,999 sf	19.00-23.00	16.00-24.00
40,000 to 59,999 sf	18.00-21.00	16.00-22.00
60,000 to 99,999 sf	n/a	16.00-20.00
More than 99,999 sf	n/a	14.00-20.00
High Tech/R&D	n/a	70.00

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	5.50	5.00
5,000 to 19,999 sf	5.50	5.00
20,000 to 39,999 sf	5.00	4.50
40,000 to 59,999 sf	4.50	4.00
60,000 to 99,999 sf	3.50	3.50
More than 99,999 sf	n/a	3.50
High Tech/R&D	n/a	10.00

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	1.30	1.10
2 to 5 acres	0.75	0.65
5 to 10 acres	0.65	0.50
More than 10 acres	0.65	0.50
Unimproved Sites		
Less than 10 acres	n/a	0.40
10 to 100 acres	n/a	0.35
More than 100 acres	n/a	0.25

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 10%
Lease Prices	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Down 25%
Manufacturing	Down 25%
High Tech/R&D	Up 10%
Construction	
Warehouse/Distribution	Down 50%
Manufacturing	Down 50%
High Tech/R&D	Down 50%
Dollar Volume - Sales	Same
Dollar Volume - Leases	Down 20%

DEMOGRAPHICS

		Rank
Population	667,812	66
Population Growth Rate	0.38%	
Unemployment Rate	3.60%	
Median Household Income	$33,398	40
Cost of Living Index	103.0	28

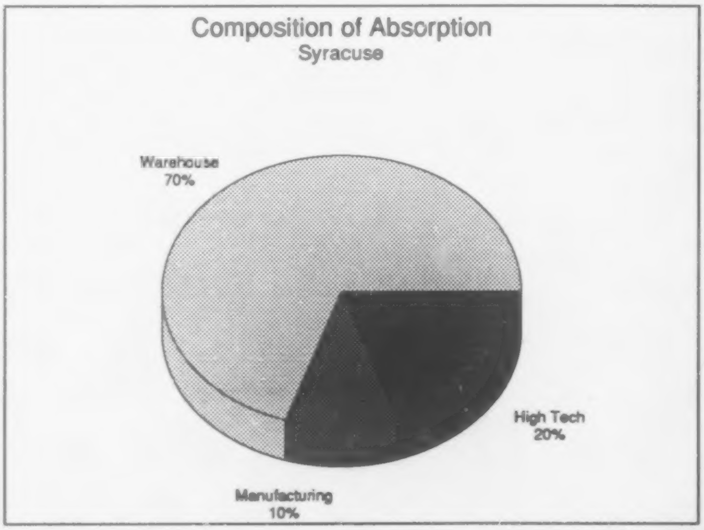
Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Tight

Construction Costs	
Less than 5,000 sf	38.00
5,000 to 19,999 sf	36.00
20,000 to 39,999 sf	32.00
40,000 to 59,999 sf	28.00
60,000 to 99,999 sf	25.00
More than 99,999 sf	18.00
High Tech/R&D	60.00

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Moderate Oversupply
High Tech/R&D	Balanced Market

Composition of Absorption	
Warehouse/Distribution	70%
Manufacturing	10%
High Tech/R&D	20%
Rate of Construction	
Warehouse/Distribution	Down 50%
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Up 10%



1990 REVIEW

In an economy that has slowed to the brink of recession, causing blue and white collar layoffs, demand for industrial space was minimal in 1990. The majority of existing demand was for small to mid-sized space under 50,000 sq. ft. Closings and cutbacks among local businesses freed up all sized blocks of space. The range of building prices for sale or lease has widened to reflect a more diverse pool of availabilities. Construction activity has been cut in half because of the difficulty in obtaining financing in an oversupplied marketplace.

1991 FORECAST

With the exception of High Tech/R&D facilities, lease prices are expected to decline and demand is anticipated to fall. There will be very little speculative building activity. Sales prices will drop but the volume of transactions should not decrease. Lease prices and the number of lease transactions will fall. Impending layoffs at GE Aerospace and a slowdown in the automotive industry will curtail demand for manufacturing space.

TAMPA, FLORIDA: INDUSTRIAL

Tampa/St. Petersburg, Florida

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	-	86,564,000
Vacant	-	4,740,541
Vacancy Rates	-	5.5%
Under Construction	-	450,736
Net Absorption	-	6,584,821

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	28.00
5,000 to 19,999 sf	-	26.00
20,000 to 39,999 sf	-	25.00
40,000 to 59,999 sf	-	23.00
60,000 to 99,999 sf	-	22.00
More than 99,999 sf	-	20.00
High Tech/R&D	-	38.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	-	3.25
5,000 to 19,999 sf	-	3.25
20,000 to 39,999 sf	-	3.00
40,000 to 59,999 sf	-	2.50
60,000 to 99,999 sf	-	2.50
More than 99,999 sf	-	2.50
High Tech/R&D	-	4.50

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	2.00-3.00
2 to 5 acres	-	2.75
5 to 10 acres	-	2.00
More than 10 acres	-	1.90
Unimproved Sites		
Less than 10 acres	-	1.75
10 to 100 acres	-	1.25
More than 100 acres	-	1.25

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Moderate

Construction Costs	
Less than 5,000 sf	25.00
5,000 to 19,999 sf	22.00
20,000 to 39,999 sf	17.00
40,000 to 59,999 sf	17.00
60,000 to 99,999 sf	17.00
More than 99,999 sf	15.00
High Tech/R&D	45.00

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Balanced Market
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Balanced Market
High Tech/R&D	Substantial Oversupply

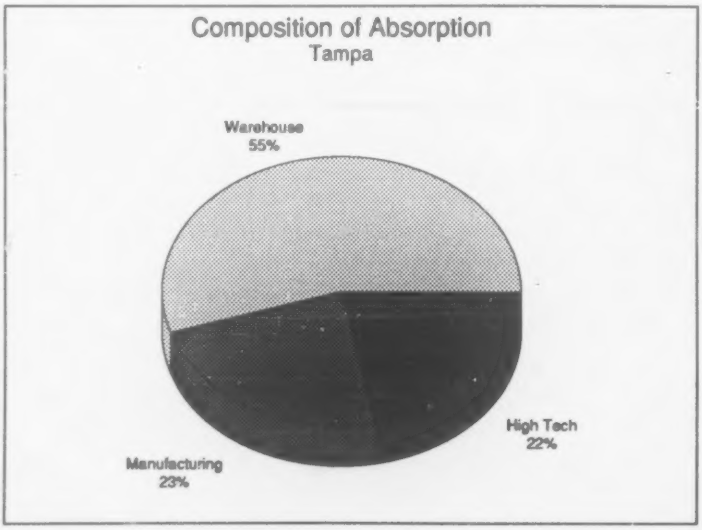
Composition of Absorption	
Warehouse/Distribution	55%
Manufacturing	23%
High Tech/R&D	22%
Rate of Construction	
Warehouse/Distribution	Down 90%
Manufacturing	Down 90%
High Tech/R&D	Down 90%
Dollar Volume - Sales	
Warehouse/Distribution	Down 50%
Manufacturing	Down 50%
High Tech/R&D	Down 50%
Dollar Volume - Leases	
Warehouse/Distribution	Up 10%
Manufacturing	Same
High Tech/R&D	Same

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	2,164,982	21
Population Growth Rate	2.98%	
Unemployment Rate	5.20%	
Median Household Income	$26,232	92
Cost of Living Index	101.2	40



1990 REVIEW

Tampa's vacancy rate fell slightly to 5.5 percent in 1990. Absorption remained strong at 6.6 million sq. ft. and construction activity slowed dramatically to less than a half million sq. ft. Users were motivated by lower prices to relocate in the market, often downsizing to reduce costs further. Demand for warehouse and distribution space continued to comprise over half of all absorption but manufacturing and High Tech/R&D facilities increased their share. There is an oversupply of all properties larger than 20,000 sq. ft. with a chronic oversupply of High Tech/R&D facilities. While lease transactions were up 10 percent, the volume of sales was cut in half.

1991 FORECAST

Tampa's industrial sector is multi-facetted with no one industry dominant. The city is well known as a wholesale distribution center and the Port of Tampa is considered a gateway to the Caribbean and Central and South America. Construction of new facilities is unlikely, due to Florida's growth restrictions. Current market conditions are expected to persist through 1991.

TERRE HAUTE, INDIANA: INDUSTRIAL

Terre Haute, Vigo County, Indiana

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	19,595,000	-
Vacant	2,125,000	-
Vacancy Rates	10.8%	-
Under Construction	570,000	-
Net Absorption	510,000	-

Prime Source of Financing: Commercial Banks, Owner Financing

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	19.00-32.50	20.00-25.00
5,000 to 19,999 sf	19.00-32.50	25.00-30.00
20,000 to 39,999 sf	20.00-30.00	25.00-30.00
40,000 to 59,999 sf	15.00-25.00	15.00-25.00
60,000 to 99,999 sf	12.50-19.50	12.50-17.50
More than 99,999 sf	n/a	n/a
High Tech/R&D	n/a	n/a

Construction Costs	
Less than 5,000 sf	40.00
5,000 to 19,999 sf	30.00
20,000 to 39,999 sf	25.00
40,000 to 59,999 sf	20.00-22.50
60,000 to 99,999 sf	20.00-22.50
More than 99,999 sf	18.00-22.00
High Tech/R&D	40.00-45.00

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	5.00-15.00	6.50-7.50
5,000 to 19,999 sf	5.00-6.00	6.50-7.50
20,000 to 39,999 sf	5.00	4.50-5.00
40,000 to 59,999 sf	4.00-5.00	3.50-4.50
60,000 to 99,999 sf	3.00-3.50	3.00-3.50
More than 99,999 sf	2.10-2.50	2.00-2.25
High Tech/R&D	n/a	n/a

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Substantial Oversupply
More than 99,999 sf	Substantial Oversupply
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	2.50-3.00	1.70-2.25
2 to 5 acres	2.00	1.00-1.50
5 to 10 acres	1.00-1.50	0.75-1.00
More than 10 acres	0.75-1.00	0.50-0.75
Unimproved Sites		
Less than 10 acres	0.20-0.50	0.20-0.50
10 to 100 acres	0.10-0.20	0.05-0.10
More than 100 acres	0.05-0.10	0.02-0.05

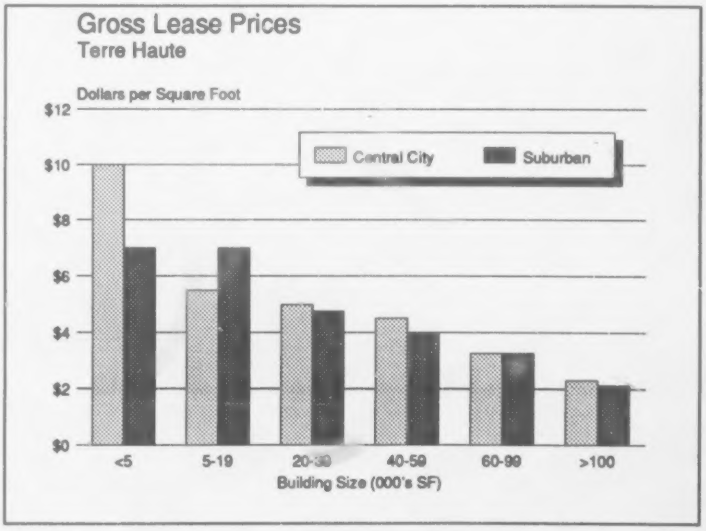
Composition of Absorption	
Warehouse/Distribution	20%
Manufacturing	70%
High Tech/R&D	10%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	139,503	109
Population Growth Rate	0.16%	
Unemployment Rate	4.10%	
Median Household Income	$23,978	103
Cost of Living Index	n/a	n/a



1990 REVIEW

The half million sq. ft. of space absorbed helped the vacancy rate to fall to 10.8 percent. Small, entrepreneurial industries have grown and expanded, and chemical and plastics companies have remodeled or developed their existing sites. The abundance of heavy and medium industrial facilities is caused by waning demand from existing chemical companies and the fact that the area's service industries require a more heavily populated location. In this production-oriented market, vacant space largely represents idle plant capacity.

1991 FORECAST

The businesses which form the base of the industrial market are not growth oriented. Expansions are not frequent enough to create an active industrial market. As a consequence, real estate firms report that they spend five to 10 percent of their time on industrial properties and the remainder on commercial ventures and property management. The one bright spot on the horizon is the potential for growth among pharmaceutical and plastics firms.

Toledo, Ohio: Industrial

Toledo, Ohio

Market Data

Inventory (sf)	Central City	Suburban
Total	19,200,000	52,000,000
Vacant	2,600,000	3,700,000
Vacancy Rates	13.5%	7.1%
Under Construction	0	100,000
Net Absorption	-100,000	100,000

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	25.00-30.00
5,000 to 19,999 sf	-	20.00-28.00
20,000 to 39,999 sf	-	18.00-24.00
40,000 to 59,999 sf	-	18.00-24.00
60,000 to 99,999 sf	-	15.00-20.00
More than 99,999 sf	-	15.00-20.00
High Tech/R&D	-	-

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	-	3.25-4.50
5,000 to 19,999 sf	-	2.75-4.00
20,000 to 39,999 sf	-	2.50-3.50
40,000 to 59,999 sf	-	2.50-3.50
60,000 to 99,999 sf	-	2.00-3.00
More than 99,999 sf	-	2.00-3.00
High Tech/R&D	-	7.50-8.50

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	0.80-1.75
2 to 5 acres	-	0.50-1.75
5 to 10 acres	-	0.40-1.00
More than 10 acres	-	0.30-0.75
Unimproved Sites		
Less than 10 acres	-	0.25-0.40
10 to 100 acres	-	0.15-0.30
More than 100 acres	-	-

Outlook

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Down 5%
Manufacturing	Down 5%
High Tech/R&D	Same
Dollar Volume - Sales	Down 5%
Dollar Volume - Leases	Down 5%

Demographics

		Rank
Population	621,054	70
Population Growth Rate	0.07%	
Unemployment Rate	5.50%	
Median Household Income	$29,042	73
Cost of Living Index	107.9	15

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Tight

Construction Costs	
Less than 5,000 sf	28.00-35.00
5,000 to 19,999 sf	26.00-32.00
20,000 to 39,999 sf	22.00-27.00
40,000 to 59,999 sf	18.00-24.00
60,000 to 99,999 sf	17.00-22.00
More than 99,999 sf	15.00-20.00
High Tech/R&D	45.00-50.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Shortage
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Balanced Market
High Tech/R&D	Balanced Market

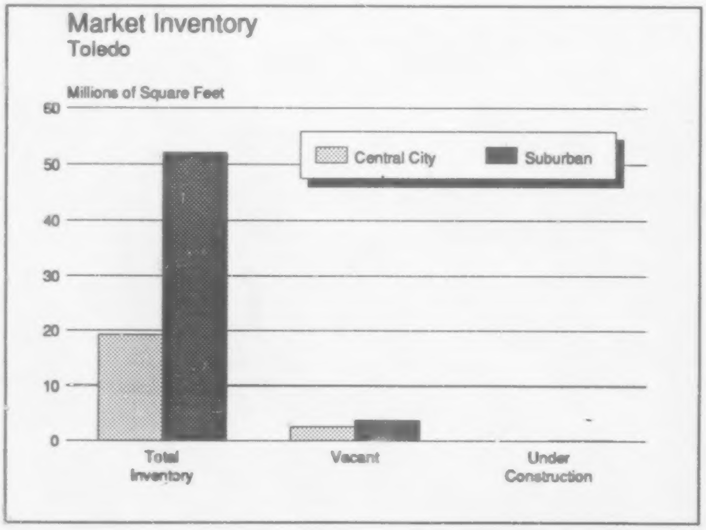
Composition of Absorption	
Warehouse/Distribution	60%
Manufacturing	30%
High Tech/R&D	10%
Rate of Construction	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Down 5%
Manufacturing	Down 10%
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Same

1990 Review

1990 was a stagnant year for Toledo. The faltering automotive industry accounts for almost the entire Toledo manufacturing base. This dependence has led to lethargic employment and population growth. Demand for quality industrial space continued, especially for spaces of less than 40,000 sq. ft. Smaller facilities remained in short supply, preventing growth in leasing and sales volume.

1991 Forecast

Standard & Poor's Corporation recently placed the big three auto makers on its "credit watch" list, a clear sign of the industry's deep troubles. These companies would find it more difficult and expensive to borrow money if their debt ratings are lowered. This could lead to further employee cutbacks and plant closings. Steep economic decline will only be stemmed by increasing diversification if new companies enter the area and existing companies not related to the auto industry expand. However, the local SIOR reporter does not foresee any immediate improvement in the industrial market for 1991.



TUCSON, ARIZONA: INDUSTRIAL

Tucson, Arizona

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	7,317,422	-
Vacant	2,018,199	-
Vacancy Rates	27.6%	-
Under Construction	0	-
Net Absorption	225,000	-

Prime Source of Financing: Insurance Companies, Owner Financing

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	30.00	-
5,000 to 19,999 sf	27.00	-
20,000 to 39,999 sf	25.00	-
40,000 to 59,999 sf	25.00	-
60,000 to 99,999 sf	23.00	-
More than 99,999 sf	20.00	-
High Tech/R&D	35.00	-

Construction Costs	
Less than 5,000 sf	40.00
5,000 to 19,999 sf	35.00
20,000 to 39,999 sf	35.00
40,000 to 59,999 sf	30.00
60,000 to 99,999 sf	27.00
More than 99,999 sf	25.00
High Tech/R&D	50.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	3.50	-
5,000 to 19,999 sf	3.00	-
20,000 to 39,999 sf	2.50	-
40,000 to 59,999 sf	2.50	-
60,000 to 99,999 sf	2.50	-
More than 99,999 sf	2.25	-
High Tech/R&D	4.00	-

Vacancy Indicators	
Less than 5,000 sf	Substantial Oversupply
5,000 to 19,999 sf	Substantial Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Moderate Oversupply
High Tech/R&D	Substantial Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	2.25	-
2 to 5 acres	2.00	-
5 to 10 acres	1.50	-
More than 10 acres	1.00	-
Unimproved Sites		
Less than 10 acres	0.75	-
10 to 100 acres	0.50	-
More than 100 acres	0.25	-

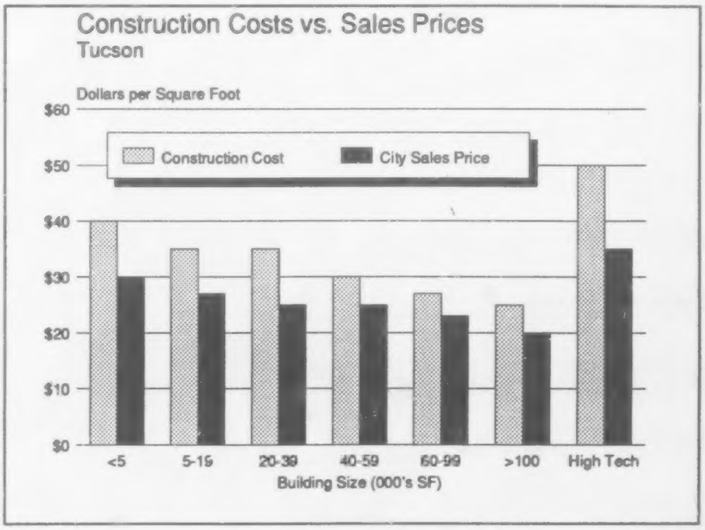
Composition of Absorption	
Warehouse/Distribution	50%
Manufacturing	30%
High Tech/R&D	20%
Rate of Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Down 10%
Manufacturing	Down 10%
High Tech/R&D	Down 10%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Up 5%
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Down 10%
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Up 20%
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	732,517	62
Population Growth Rate	3.26%	
Unemployment Rate	3.80%	
Median Household Income	$26,370	90
Cost of Living Index	101.5	37



1990 REVIEW

Tucson's oversupplied market began to move gradually toward equilibrium although all property types remain abundant. Sales volumes have been sustained by investors acquiring existing properties at well below replacement cost. Demand remains moderate with growth stemming from a strong base of companies disenchanted with southern California and telecommunications firms which have carved a niche in the market. Low operating costs and a reliable labor pool have drawn the interest of companies looking to relocate.

1991 FORECAST

The near term outlook for Tucson is for slow growth. Defense and related High Tech/R&D industries have stimulated activity in the area. Spending cutbacks and the slowdown in the national economy have stalled their momentum, though. While sales transactions are expected to increase, the rest of the market will remain flat. Companies wait for the economy to improve before making lease decisions. Because of its sound industrial base the foundation for future expansion is promising but dramatic change is not imminent.

TULSA, OKLAHOMA: INDUSTRIAL

Tulsa, Oklahoma

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	-	50,000,000
Vacant	-	5,000,000
Vacancy Rates	-	10.0%
Under Construction	-	15,000
Net Absorption	-	800,000

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	15.00-24.00
5,000 to 19,999 sf	-	14.00-23.00
20,000 to 39,999 sf	-	14.00-25.00
40,000 to 59,999 sf	-	12.00-20.00
60,000 to 99,999 sf	-	12.00-20.00
More than 99,999 sf	-	12.00-20.00
High Tech/R&D	-	20.00-30.00

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	-	3.00-3.50
5,000 to 19,999 sf	-	2.50-3.00
20,000 to 39,999 sf	-	2.50-3.00
40,000 to 59,999 sf	-	2.00-2.75
60,000 to 99,999 sf	-	2.25-2.75
More than 99,999 sf	-	2.15-2.50
High Tech/R&D	-	4.00-7.50

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	1.25-3.00
2 to 5 acres	-	1.25-2.50
5 to 10 acres	-	1.00-2.50
More than 10 acres	-	0.60-1.25
Unimproved Sites		
Less than 10 acres	-	n/a
10 to 100 acres	-	n/a
More than 100 acres	-	n/a

OUTLOOK

Sales Prices	
Warehouse/Distribution	Up 10%
Manufacturing	Up 10%
High Tech/R&D	Up 5%
Lease Prices	
Warehouse/Distribution	Up 10%
Manufacturing	Up 10%
High Tech/R&D	Up 5%
Site Prices	Down 10-20%
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Up 5%
Construction	
Warehouse/Distribution	Down 20%
Manufacturing	Up 10%
High Tech/R&D	Same
Dollar Volume - Sales	Up 15%
Dollar Volume - Leases	Up 10%

DEMOGRAPHICS

		Rank
Population	758,781	60
Population Growth Rate	1.45%	
Unemployment Rate	5.30%	
Median Household Income	$25,330	95
Cost of Living Index	92.6	72

Prime Source of Financing: Commercial Banks, State Assisted Programs

Mortgage Money Supply: Moderate

Construction Costs	
Less than 5,000 sf	25.00
5,000 to 19,999 sf	23.00
20,000 to 39,999 sf	22.00
40,000 to 59,999 sf	18.00
60,000 to 99,999 sf	15.00
More than 99,999 sf	14.00
High Tech/R&D	45.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Balanced Market
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Balanced Market
High Tech/R&D	Moderate Oversupply

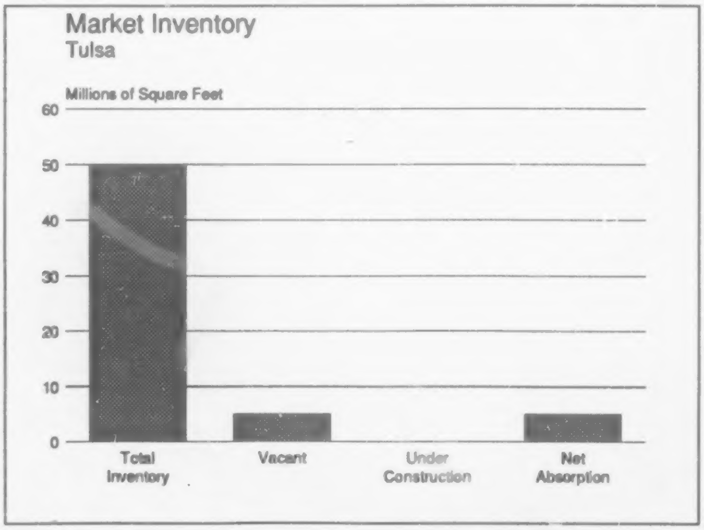
Composition of Absorption	
Warehouse/Distribution	65%
Manufacturing	30%
High Tech/R&D	5%
Rate of Construction	
Warehouse/Distribution	Down
Manufacturing	Down
High Tech/R&D	Down
Dollar Volume - Sales	
Warehouse/Distribution	Up 10%
Manufacturing	Same
High Tech/R&D	Down 10%
Dollar Volume - Leases	
Warehouse/Distribution	Up 10%
Manufacturing	Up 10%
High Tech/R&D	Up 5%

1990 REVIEW

Lease and sales transactions increased in 1990 and absorption levels were strong resulting in a drop in the vacancy rate to 10 percent. Several regional and local investors made all cash purchases of properties intending to quickly turn them around. Leasing has become more feasible than purchasing for most users. A need for new construction is not urgent as several market segments are oversupplied, but the inventory of desirable properties is shrinking.

1991 FORECAST

Positive growth and improvement in most areas is on tap for 1991. Prices should continue to ascend moderately, pushing up the overall volume of transactions. Acquisitions can still be made below replacement cost. Demand levels will not change measurably with only the High Tech/R&D market seeing increased interest. A lack of financing will limit speculative development but build-to-suit and pre-leased projects will continue as needed. Leasing will continue to gain popularity over purchasing for industrial space users.



WASHINGTON, D.C.: INDUSTRIAL

Washington, D.C.

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	-	n/a
Vacant	-	n/a
Vacancy Rates	-	n/a
Under Construction	-	n/a
Net Absorption	-	n/a

Prime Source of Financing: Insurance Companies

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	85.00
5,000 to 19,999 sf	-	65.00-75.00
20,000 to 39,999 sf	-	50.00
40,000 to 59,999 sf	-	40.00
60,000 to 99,999 sf	-	35.00
More than 99,999 sf	-	35.00
High Tech/R&D	-	60.00

Construction Costs	
Less than 5,000 sf	40.00
5,000 to 19,999 sf	34.00
20,000 to 39,999 sf	30.00
40,000 fo 59,999 sf	27.00
60,000 to 99,999 sf	22.50
More than 99,999 sf	22.50
High Tech/R&D	45.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	-	6.00
5,000 to 19,999 sf	-	5.50
20,000 to 39,999 sf	-	5.25
40,000 to 59,999 sf	-	4.00
60,000 to 99,999 sf	-	4.00
More than 99,999 sf	-	4.00
High Tech/R&D	-	6.00-7.00

Vacancy Indicators	
Less than 5,000 sf	Substantial Oversupply
5,000 to 19,999 sf	Moderate Oversupply
20,000 to 39,999 sf	Moderate Oversupply
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Moderate Oversupply
More than 99,999 sf	Balanced Market
High Tech/R&D	Substantial Oversupply

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	4.00-6.00
2 to 5 acres	-	3.00-5.00
5 to 10 acres	-	3.00
More than 10 acres	-	2.50
Unimproved Sites		
Less than 10 acres	-	1.00-2.00
10 to 100 acres	-	1.00-2.00
More than 100 acres	-	n/a

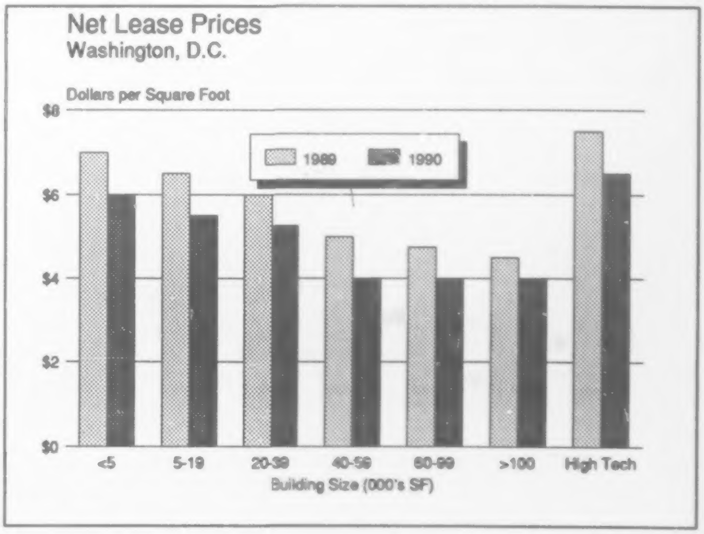
Composition of Absorption	
Warehouse/Distribution	60%
Manufacturing	0%
High Tech/R&D	40%
Rate of Construction	
Warehouse/Distribution	Down 50%
Manufacturing	Down 0%
High Tech/R&D	Down 50%
Dollar Volume - Sales	
Warehouse/Distribution	Down 50%
Manufacturing	n/a
High Tech/R&D	Down 70%
Dollar Volume - Leases	
Warehouse/Distribution	Down 25%
Manufacturing	n/a
High Tech/R&D	Down 40%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	n/a
High Tech/R&D	Down 10%
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	n/a
High Tech/R&D	Down 10%
Site Prices	Down 10%
Absorption	
Warehouse/Distribution	Up
Manufacturing	n/a
High Tech/R&D	Up
Construction	
Warehouse/Distribution	Down 25-35%
Manufacturing	n/a
High Tech/R&D	Down 25-35%
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	3,850,900	6
Population Growth Rate	1.71%	
Unemployment Rate	3.50%	
Median Household Income	$48,728	4
Cost of Living Index	n/a	n/a



1990 REVIEW

All segments of the Washington, D.C. industrial market suffered last year. Businesses contracted and put space on the market for sublet. Lease prices were off from 1989 by between 50 cents and one dollar. Vacancies were highest among High Tech/R&D facilities. Warehouse/distribution properties of 100,000 sq. ft. were the healthiest segment. Financing constraints, an existing oversupply, and waning demand dropped construction activity to half of 1989's level. Sales prices were down dramatically with unimproved sites experiencing the sharpest decline. The investment market drew mild interest from foreign investors.

1991 FORECAST

The outlook for Washington's industrial market in 1991 is mixed. The construction of new facilities should slow with speculative development commencing only after a portion of the building has been pre-leased. Absorption is expected to be positive, alleviating the pressure on vacancy rates. Prices among the inventory of High Tech/R&D facilities, however, will probably continue their fall while prices for warehouse space will remain at their current level.

WEST PALM BEACH, FLORIDA: INDUSTRIAL

Palm Beach County, Florida

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	13,280,000	4,120,000
Vacant	1,920,000	565,000
Vacancy Rates	14.5%	13.7%
Under Construction	625,000	300,000
Net Absorption	n/a	n/a

Prime Source of Financing: Owner Financing

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	45.50	40.00
5,000 to 19,999 sf	40.00	38.00
20,000 to 39,999 sf	31.00	31.00
40,000 to 59,999 sf	29.00	29.00
60,000 to 99,999 sf	n/a	n/a
More than 99,999 sf	n/a	n/a
High Tech/R&D	39.00	42.00

Construction Costs	
Less than 5,000 sf	25.00
5,000 to 19,999 sf	22.50
20,000 to 39,999 sf	20.00
40,000 to 59,999 sf	n/a
60,000 to 99,999 sf	n/a
More than 99,999 sf	n/a
High Tech/R&D	n/a

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	5.75	5.75
5,000 to 19,999 sf	4.90	4.85
20,000 to 39,999 sf	4.25	4.25
40,000 to 59,999 sf	4.00	4.00
60,000 to 99,999 sf	n/a	n/a
More than 99,999 sf	n/a	n/a
High Tech/R&D	n/a	n/a

Vacancy Indicators	
Less than 5,000 sf	Balanced Market
5,000 to 19,999 sf	Balanced Market
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Moderate Shortage
60,000 to 99,999 sf	Moderate Shortage
More than 99,999 sf	Substantial Shortage
High Tech/R&D	

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	4.80	4.80
2 to 5 acres	4.75	4.60
5 to 10 acres	4.00	4.00
M[illegible]an 10 acres	3.50	3.75
Unimproved Sites		
Less than 10 acres	n/a	3.00
10 to 100 acres	2.90	2.50
More than 100 acres	n/a	n/a

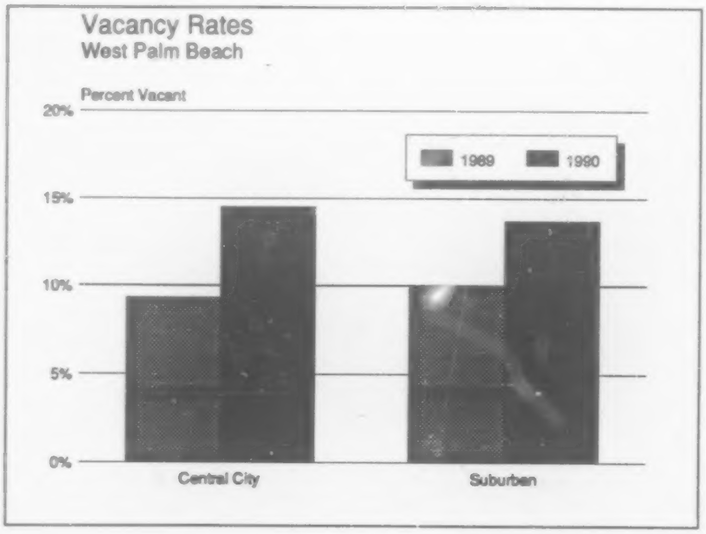
Composition of Absorption	
Warehouse/Distribution	85%
Manufacturing	10%
High Tech/R&D	5%
Rate of Construction	
Warehouse/Distribution	Down 5%
Manufacturing	Down 20%
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Down 15%
Manufacturing	Down
High Tech/R&D	Down
Dollar Volume - Leases	
Warehouse/Distribution	Same
Manufacturing	n/a
High Tech/R&D	n/a

Outlook

Sales Prices	
Warehouse/Distribution	Down 15%
Manufacturing	Down 20%
High Tech/R&D	Down
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Up
Absorption	
Warehouse/Distribution	Down 10%
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Down 50%
Manufacturing	Down 50%
High Tech/R&D	Same
Dollar Volume - Sales	Down 20%
Dollar Volume - Leases	Down 20%

DEMOGRAPHICS

		Rank
Population	877,170	55
Population Growth Rate	4.28%	
Unemployment Rate	7.20%	
Median Household Income	$34,176	24
Cost of Living Index	113.2	9



1990 REVIEW

Vacancy rose to 14.3 percent in West Palm Beach, with shrinking occupancy in the urban area more than offsetting gains in the suburbs. Demand was strongest among medical supplies companies seeking warehouse/distribution space, but was down among retailers. The market was tight for properties in the 20,000 sq. ft. and larger range. Construction activity was steady, but owner financed.

1991 FORECAST

The Florida State Growth Management Act may slow the pace of development by fifty percent. Tight financing will also constrict speculative construction. The prices of improved sites which have secured approvals will therefore increase. In 1991, recycling and hazardous waste businesses are expected to forge a new presence in the market. Medical distribution companies are predicted to grow as well. Sales prices should decrease, lease prices should remain the same, and the dollar volume will decline for both.

WICHITA, KANSAS: INDUSTRIAL

Wichita, Kansas Metropolitan Area

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	825,000	4,655,000
Vacant	350,000	1,200,000
Vacancy Rates	42.4%	25.8%
Under Construction	0	17,500
Net Absorption	n/a	n/a

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	20.00-24.00	20.00-24.00
5,000 to 19,999 sf	20.00-24.00	20.00-24.00
20,000 to 39,999 sf	20.00-24.00	20.00-24.00
40,000 to 59,999 sf	20.00-24.00	20.00-24.00
60,000 to 99,999 sf	20.00-24.00	20.00-24.00
More than 99,999 sf	20.00-24.00	20.00-24.00
High Tech/R&D	n/a	n/a

Gross Lease Prices	Central City	Suburban
Less than 5,000 sf	3.60	3.35
5,000 to 19,999 sf	4.20	3.60
20,000 to 39,999 sf	3.00	2.75
40,000 to 59,999 sf	2.40	2.25
60,000 to 99,999 sf	2.40	2.25
More than 99,999 sf	2.40	2.25
High Tech/R&D	n/a	n/a

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	3.00	1.00
2 to 5 acres	2.00	0.50
5 to 10 acres	1.00	0.35
More than 10 acres	0.46	0.23
Unimproved Sites		
Less than 10 acres	0.46	0.46
10 to 100 acres	0.23	0.09
More than 100 acres	n/a	0.02

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Moderate

Construction Costs	
Less than 5,000 sf	20.00-30.00
5,000 to 19,999 sf	20.00-30.00
20,000 to 39,999 sf	20.00-30.00
40,000 to 59,999 sf	20.00-30.00
60,000 to 99,999 sf	20.00-30.00
More than 99,999 sf	20.00-30.00
High Tech/R&D	20.00-30.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Shortage
5,000 to 19,999 sf	Moderate Shortage
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Balanced Market
High Tech/R&D	n/a

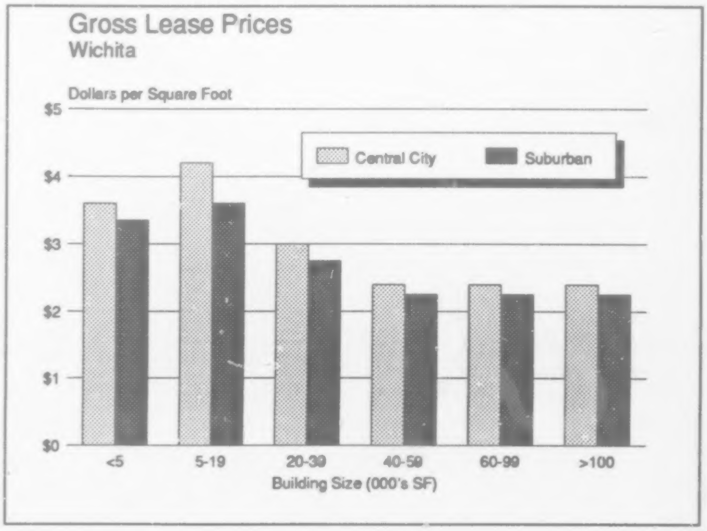
Composition of Absorption	
Warehouse/Distribution	n/a
Manufacturing	n/a
High Tech/R&D	n/a
Rate of Construction	
Warehouse/Distribution	Up 5%
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Up 10%
Manufacturing	Up 5%
High Tech/R&D	Same

OUTLOOK

Sales Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Site Prices	Same
Absorption	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Sales	Same
Dollar Volume - Leases	Same

DEMOGRAPHICS

		Rank
Population	518,325	78
Population Growth Rate	1.61%	
Unemployment Rate	4.50%	
Median Household Income	$30,079	63
Cost of Living Index	97.4	54



1990 REVIEW

The Wichita industrial market enjoyed a stable 1990. The supply of existing central city industrial space was ill-suited for the market's space users. Additions to supply occurred only in the suburban market and amounted to a five percent increase. Sales, lease, and site prices all held steady at 1989's levels while the dollar volume of sales and leases increased between five to 10 percent. The strength of the local economy was once again reinforced by aircraft and parts manufacturing.

1991 FORECAST

No major change in Wichita's industrial market is expected for 1991. Boeing, Beech, Cessna, Gates, and Learjet together should insure this area's stability. Beyond the aeronautics and defense industries, there are other strong manufacturing firms which will boost the local economy.

Prospects for speculative development do not exist in the market, despite the moderate availability of mortgage money from commercial banks.

WILMINGTON, DELAWARE: INDUSTRIAL

Wilmington, Delaware including New Castle County

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	-	5,100,000
Vacant	-	1,500,000
Vacancy Rates	-	29.4%
Under Construction	-	20,000
Net Absorption	-	n/a

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Tight

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	-	50.00-80.00
5,000 to 19,999 sf	-	45.00-65.00
20,000 to 39,999 sf	-	40.00-50.00
40,000 to 59,999 sf	-	30.00-40.00
60,000 to 99,999 sf	-	25.00-35.00
More than 99,999 sf	-	25.00-30.00
High Tech/R&D	-	50.00-80.00

Construction Costs	
Less than 5,000 sf	60.00-85.00
5,000 to 19,999 sf	45.00-60.00
20,000 to 39,999 sf	38.00-45.00
40,000 to 59,999 sf	30.00-38.00
60,000 to 99,999 sf	27.00-35.00
More than 99,999 sf	25.00-30.00
High Tech/R&D	60.00-200.00

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	-	3.25-4.25
5,000 to 19,999 sf	-	3.00-4.00
20,000 to 39,999 sf	-	3.00-3.75
40,000 to 59,999 sf	-	2.75-3.50
60,000 to 99,999 sf	-	2.75-3.50
More than 99,999 sf	-	2.50-3.25
High Tech/R&D	-	6.50-10.00

Vacancy Indicators	
Less than 5,000 sf	Moderate Oversupply
5,000 to 19,999 sf	Balanced Market
20,000 to 39,999 sf	Balanced Market
40,000 to 59,999 sf	Moderate Oversupply
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Moderate Shortage
High Tech/R&D	Balanced Market

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	-	2.00-2.25
2 to 5 acres	-	2.00-2.25
5 to 10 acres	-	2.00-2.25
More than 10 acres	-	1.40-2.00
Unimproved Sites		
Less than 10 acres	-	1.23-1.50
10 to 100 acres	-	1.00-1.25
More than 100 acres	-	0.80-1.00

Composition of Absorption	
Warehouse/Distribution	70%
Manufacturing	20%
High Tech/R&D	10%
Rate of Construction	
Warehouse/Distribution	Down 50%
Manufacturing	Down 50%
High Tech/R&D	Down 50%
Dollar Volume - Sales	
Warehouse/Distribution	Down 15%
Manufacturing	Down 15%
High Tech/R&D	Down 15%
Dollar Volume - Leases	
Warehouse/Distribution	Down 15%
Manufacturing	Down 15%
High Tech/R&D	Down 15%

OUTLOOK

Sales Prices	
Warehouse/Distribution	Down 5-25%
Manufacturing	Down 5-25%
High Tech/R&D	Down 5-25%
Lease Prices	
Warehouse/Distribution	Down 0-25%
Manufacturing	Down 0-25%
High Tech/R&D	Down 0-25%
Site Prices	Down 0-10%
Absorption	
Warehouse/Distribution	Down 5-15%
Manufacturing	Down 5-15%
High Tech/R&D	Down 5-15%
Construction	
Warehouse/Distribution	Down 25-75%
Manufacturing	Down 25-75%
High Tech/R&D	Down 25-75%
Dollar Volume - Sales	Down 5-25%
Dollar Volume - Leases	Down 5-25%

DEMOGRAPHICS

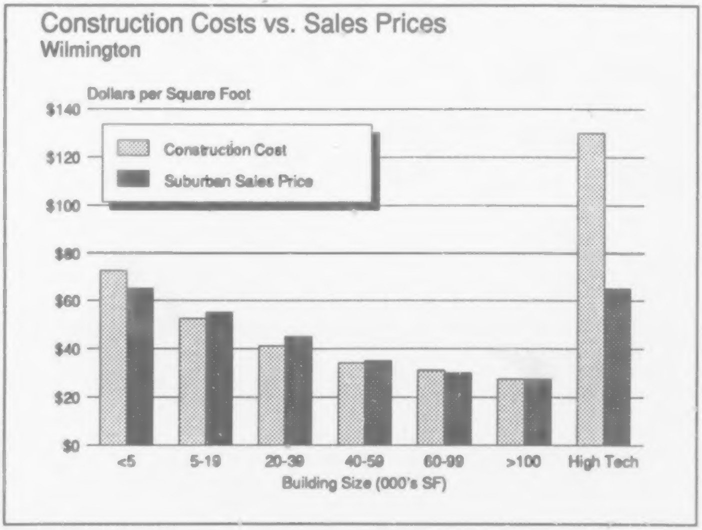
		Rank
Population	562,097	75
Population Growth Rate	0.72%	
Unemployment Rate	5.30%	
Median Household Income	$36,713	18
Cost of Living Index	119.9	6

1990 REVIEW

The Wilmington industrial market finished 1990 on a down note. The market was relatively stable during the first half and then began to slide in the third quarter. Only one 20,000 sq. ft. building was constructed last year. Lack of construction is attributable to a flat local economy, declining demand, and tight financing. Recent advertisements for below-market lease rates at several buildings exerted downward pressure on rents. Sales prices held steady but transaction volume dropped 15 percent. On a positive note, Hewlett Packard announced the relocation of its instruments plant to Wilmington; the new facility is expected to open in 1992.

1991 FORECAST

Wilmington's employment growth will slow in 1991 but will continue to exceed other Mid-Atlantic MSAs. Troubles at General Motors and Chrysler may cause cutbacks in manufacturing employment. Few speculative buildings will be developed in 1991 and available space will be supplemented with sublease space. Due to the credit crunch, an increase in lease/purchase agreements will be evident.



YOUNGSTOWN, OHIO: INDUSTRIAL

Youngstown-Warren, Ohio

MARKET DATA

Inventory (sf)	Central City	Suburban
Total	8,500,000	17,500,000
Vacant	750,000	1,200,000
Vacancy Rates	8.8%	6.9%
Under Construction	450,000	2,500,000
Net Absorption	600,000	3,000,000

Prime Source of Financing: Commercial Banks

Mortgage Money Supply: Moderate

Sales Prices ($/sf)	Central City	Suburban
Less than 5,000 sf	15.00	18.00
5,000 to 19,999 sf	12.00	12.00
20,000 to 39,999 sf	10.00	10.00
40,000 to 59,999 sf	7.00	8.00
60,000 to 99,999 sf	3.00-5.00	5.00-7.00
More than 99,999 sf	n/a	n/a
High Tech/R&D	n/a	n/a

Construction Costs	
Less than 5,000 sf	n/a
5,000 to 19,999 sf	n/a
20,000 to 39,999 sf	n/a
40,000 to 59,999 sf	n/a
60,000 to 99,999 sf	n/a
More than 99,999 sf	n/a
High Tech/R&D	n/a

Net Lease Prices	Central City	Suburban
Less than 5,000 sf	1.75	3.00
5,000 to 19,999 sf	1.75	2.75
20,000 to 39,999 sf	1.50	2.50
40,000 to 59,999 sf	1.25	1.75
60,000 to 99,999 sf	1.00	1.50
More than 99,999 sf	n/a	n/a
High Tech/R&D	n/a	n/a

Vacancy Indicators	
Less than 5,000 sf	Moderate Shortage
5,000 to 19,999 sf	Balanced Market
20,000 to 39,999 sf	Moderate Shortage
40,000 to 59,999 sf	Balanced Market
60,000 to 99,999 sf	Balanced Market
More than 99,999 sf	Moderate Shortage
High Tech/R&D	

Site Prices ($/sf)	Central City	Suburban
Improved Sites		
Less than 2 acres	0.35	0.45
2 to 5 acres	0.20	0.25
5 to 10 acres	n/a	0.10
More than 10 acres	n/a	0.10
Unimproved Sites		
Less than 10 acres	n/a	n/a
10 to 100 acres	n/a	n/a
More than 100 acres	n/a	n/a

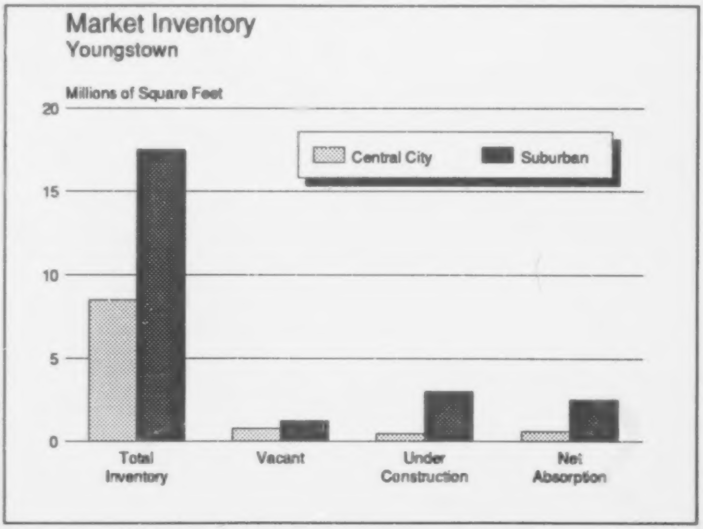
Composition of Absorption	
Warehouse/Distribution	65%
Manufacturing	25%
High Tech/R&D	10%
Rate of Construction	
Warehouse/Distribution	Down 20%
Manufacturing	Up
High Tech/R&D	Same
Dollar Volume - Sales	
Warehouse/Distribution	Down 20%
Manufacturing	Same
High Tech/R&D	Same
Dollar Volume - Leases	
Warehouse/Distribution	Down 20%
Manufacturing	Same
High Tech/R&D	Same

OUTLOOK

Sales Prices	
Warehouse/Distribution	Up 10%
Manufacturing	Up 10%
High Tech/R&D	Same
Lease Prices	
Warehouse/Distribution	Up 5%
Manufacturing	Up 10%
High Tech/R&D	n/a
Site Prices	Same
Absorption	
Warehouse/Distribution	Down 20%
Manufacturing	Same
High Tech/R&D	Same
Construction	
Warehouse/Distribution	Same
Manufacturing	Up 10%
High Tech/R&D	Same
Dollar Volume - Sales	Down 15%
Dollar Volume - Leases	Down 10%

DEMOGRAPHICS

		Rank
Population	516,401	79
Population Growth Rate	-0.28%	
Unemployment Rate	5.40%	
Median Household Income	$26,284	91
Cost of Living Index	94.1	68



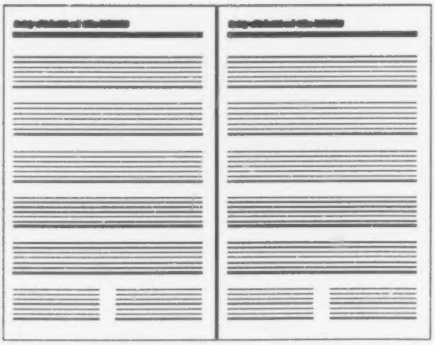
1990 REVIEW

Demand, although somewhat weaker than in 1989, resulted in the net absorption of 3.6 million sq. ft. The overall vacancy rate is 7.5 percent. Market activity was generated both by local companies expanding and by new industries moving into the market. New construction, consisting mostly of build-to-suit projects, received most of the attention from users. A healthy level of demand, shortages in some sq. ft. ranges, and a moderate amount of financing available from commercial banks kept this market viable.

1991 FORECAST

The industrial market will probably shift marginally. Absorption will be down at warehouse/distribution facilites. The dollar volume of sales and leases is forcasted to decline by 10 to 15 percent. Development activity, however, will not slow as the construction of manufacturing facilities should increase about 10 percent.

INDUSTRIAL SURVEY QUESTIONNAIRE



Society of Industrial and Office REALTORS®
Industrial Real Estate Market Survey - 1990 Review / 1991 Forecast

READ CAREFULLY BEFORE FILLING OUT QUESTIONNAIRE: This questionnaire must be received by the SIOR National Office by December 14, 1990 if your report is to be included in the *1991 Guide to Industrial and Office Real Estate Markets.* For data compilation reasons, any surveys received after December 14, 1990 cannot be used.

Please type or print your answers clearly.
The individual reporter **must be a member of SIOR**.
Be sure to include both the individual's name and the firm's name
Please use the abbreviation of "N/A" for Not Available
and the abbreviation of "—" for Not Applicable

If you have any questions, please contact:
Mary Henesey
Society of Industrial and Office REALTORS®
777 14th Street, N.W., Suite 400
Washington, D.C. 20005-3271
202/383-7516
FAX: 202/383-1114

Identification

Market Area ____________________

Reporter's Name ____________________	Reporter's Name ____________________
Firm Name ____________________	Firm Name ____________________
Address ____________________	Address ____________________
____________________	____________________
City ____________ State ______ Zip ________	City ____________ State ______ Zip ________
Business Phone ____________________	Business Phone ____________________

Comments

SIOR urges each reporter to provide some comments about his/her market area. Readers of last year's SIOR *Guide to Industrial and Office Real Estate Markets* found the market area narratives valuable. Your specific comments will be incorporated into the 1991 report.

Comment on demand for industrial space (lease and/or sales): ____________________

____

____

Comment on new speculative development in 1991: ____________________

____

____

Comment on local / regional economy: ____________________

____

____

Comment on real estate market trends in your market area (e.g. user relocations or expansions, backfilling, foreign investment, etc.):

____

____

____

Other Comments: ____________________

____

____

Society of Industrial and Office REALTORS®
Industrial Real Estate Market Survey - 1990 Review / 1991 Forecast

Definitions

Please read carefully. The following definitions are given to insure uniformity of response. Use, not building design, determines reporting category.

Central City/Suburban Areas	*Since the definition of urban and suburban areas varies widely, it is the responsibility of the individual survey panelist to reflect his or her area's particular characteristics.*
High Technology/R&D	*Refers to highly improved space with 50% or more office potential and higher than normal parking. Must have some industrial function to qualify; cannot be pure office.*
Total Inventory	*Total square footage of rentable industrial space, vacant and occupied, ready for tenant finish, in your market area.*
Vacant Inventory	*Total square footage of vacant rentable industrial space, including sublease.*
Net Absorption	*Net absorption is the net change in occupied space.*
Construction	*Ground must be broken. Do not include projects that are still in the planning stages.*
Prime Industrial Building	*Buildings in the top 25 percent of overall desirability of the existing inventory; such buildings are considered to be for general purpose uses such as industrial, research, warehouse and/or manufacturing*
Gross Lease	*A lease in which the tenant's rent includes real estate taxes and fire and extended coverage insurance, as well as maintenance of the roof structure and outside walls.*
Improved Sites	*Sites in the top 25 percent of overall desirability of the existing inventory. Such sites are in a "ready to build" condition and are essentially level and graded and serviced with all necessary utilities.*
Unimproved Sites	*Sites in the top 25 percent of overall desirability of the existing inventory and are zoned for industrial use. Streets and utilities may not yet be installed but are reasonably close and available.*
Construction Costs	*Should reflect only hard construction costs such as general contractor, overhead, and profit but exclude architectural and engineering fees, financing.*

Section I: Inventory Data

Inventory (as of December 1990)	Central City	Suburban
Total	______ sq ft	______ sq ft
Vacant	______ sq ft	______ sq ft
Net Absorption	______ sq ft	______ sq ft
Construction	______ sq ft	______ sq ft

Section II: Prices

1. **Building Prices** Sales and lease prices of prime industrial buildings. ☐ Gross Lease ☐ Net Lease

Prime Industrial Prices	Sales (Current price per sq ft)		Lease (Current annual price per sq ft)	
(price per sq ft)	Central City	Suburban	Central City	Suburban
Less than 5,000 sq ft	$______ sq ft	$______ sq ft	$______ sq ft	$______ sq ft
5,000 to 19,999 sq ft	$______ sq ft	$______ sq ft	$______ sq ft	$______ sq ft
20,000 to 39,999 sq ft	$______ sq ft	$______ sq ft	$______ sq ft	$______ sq ft
40,000 to 59,999 sq ft	$______ sq ft	$______ sq ft	$______ sq ft	$______ sq ft
60,000 to 99,999 sq ft	$______ sq ft	$______ sq ft	$______ sq ft	$______ sq ft
100,000 sq ft or more	$______ sq ft	$______ sq ft	$______ sq ft	$______ sq ft
High Tech/R&D	$______ sq ft	$______ sq ft	$______ sq ft	$______ sq ft

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Industrial Real Estate Market Survey - 1990 Review / 1991 Forecast

Section II: Prices (Continued)

2. Site Prices

Improved Sites (selling price per sq ft)	**Central City**	**Suburban**
Less than 2 acres	$________ sq ft	$________ sq ft
2 to 5 acres	$________ sq ft	$________ sq ft
5 to 10 acres	$________ sq ft	$________ sq ft
More than 10 acres	$________ sq ft	$________ sq ft
Unimproved Sites		
Less than 10 acres	$________ sq ft	$________ sq ft
10 to 100 acres	$________ sq ft	$________ sq ft
More than 100 acres	$________ sq ft	$________ sq ft

3. Construction Costs

Price Industrial Construction Costs (costs per sq ft)	
Less than 5,000 sq ft	$____________ sq ft
5,000 to 19,999 sq ft	$____________ sq ft
20,000 to 39,999 sq ft	$____________ sq ft
40,000 to 59,999 sq ft	$____________ sq ft
60,000 to 99,999 sq ft	$____________ sq ft
100,000 sq ft or more	$____________ sq ft
High Tech/R&D	$____________ sq ft

4. Financing What is the current prime source for financing industrial properties?

☐ Insurance Companies ☐ Commercial Banks ☐ Pension Funds

☐ Owner Financing ☐ Other (specify) ____________________

5. Mortgage Money Supply Indicate the current mortgage money supply at the prevalent interest rate.

☐ Ample ☐ Moderate ☐ Tight ☐ Not Available

Section III: Trends

6. Vacancy Indicators What is the vacancy situation for prime industrial properties?

	Substantial Shortage	Moderate Shortage	Balanced Market	Moderate Oversupply	Substantial Oversupply
Less than 5,000 sq ft	☐	☐	☐	☐	☐
5,000 to 19,999 sq ft	☐	☐	☐	☐	☐
20,000 to 39,999 sq ft	☐	☐	☐	☐	☐
40,000 to 59,999 sq ft	☐	☐	☐	☐	☐
60,000 to 99,999 sq ft	☐	☐	☐	☐	☐
100,000 sq ft or more	☐	☐	☐	☐	☐
High Tech/R&D	☐	☐	☐	☐	☐

7. Composition of Absorption Indicate the proportion of total absorption attributable to each building category during 1990. Should add to 100%. Warehousing/Distribution ________ % Manufacturing ________ % High Tech/R&D ________ %

8. Rate of Construction How does the rate of construction compare to a year ago?

Warehousing/Distribution	☐ Same	☐ Increase __________ %	☐ Decrease __________ %
Manufacturing	☐ Same	☐ Increase __________ %	☐ Decrease __________ %
High Tech/R&D	☐ Same	☐ Increase __________ %	☐ Decrease __________ %

9. Dollar Volume - Sales How does the dollar volume of sales of industrial properties compare to a year ago?

Warehousing/Distribution	☐ Same	☐ Increase __________ %	☐ Decrease __________ %
Manufacturing	☐ Same	☐ Increase __________ %	☐ Decrease __________ %
High Tech/R&D	☐ Same	☐ Increase __________ %	☐ Decrease __________ %

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Industrial Real Estate Market Survey - 1990 Review / 1991 Forecast

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Section III: Trends (Continued)

10. **Dollar Volume - Leases** How does the dollar volume of leases of industrial properties compare to a year ago?

Warehousing/Distribution	☐ Same	☐ Increase ______ %	☐ Decrease ______ %
Manufacturing	☐ Same	☐ Increase ______ %	☐ Decrease ______ %
High Tech/R&D	☐ Same	☐ Increase ______ %	☐ Decrease ______ %

Section IV: Outlook

Sales Prices	Warehousing/Distribution	☐ Same	☐ Increase ______ %	☐ Decrease ______ %
	Manufacturing	☐ Same	☐ Increase ______ %	☐ Decrease ______ %
	High Tech/R&D	☐ Same	☐ Increase ______ %	☐ Decrease ______ %
Lease Prices	Warehousing/Distribution	☐ Same	☐ Increase ______ %	☐ Decrease ______ %
	Manufacturing	☐ Same	☐ Increase ______ %	☐ Decrease ______ %
	High Tech/R&D	☐ Same	☐ Increase ______ %	☐ Decrease ______ %
Site Prices		☐ Same	☐ Increase ______ %	☐ Decrease ______ %
Absorption	Warehousing/Distribution	☐ Same	☐ Increase ______ %	☐ Decrease ______ %
	Manufacturing	☐ Same	☐ Increase ______ %	☐ Decrease ______ %
	High Tech/R&D	☐ Same	☐ Increase ______ %	☐ Decrease ______ %
Construction	Warehousing/Distribution	☐ Same	☐ Increase ______ %	☐ Decrease ______ %
	Manufacturing	☐ Same	☐ Increase ______ %	☐ Decrease ______ %
	High Tech/R&D	☐ Same	☐ Increase ______ %	☐ Decrease ______ %
Dollar Volume	Sales	☐ Same	☐ Increase ______ %	☐ Decrease ______ %
	Leases	☐ Same	☐ Increase ______ %	☐ Decrease ______ %

Section VI: Market Area Information

Important: SIOR is interested in learning more about your market area. Please send any information about your local economy and local real estate markets with your survey. If specific information is not conveniently available, perhaps you can send an address where information can be obtained.

Name ______	Name ______
Address ______	Address ______
______	______
Type of information ______	Type of information ______
______	______
______	______

List of Resources ______

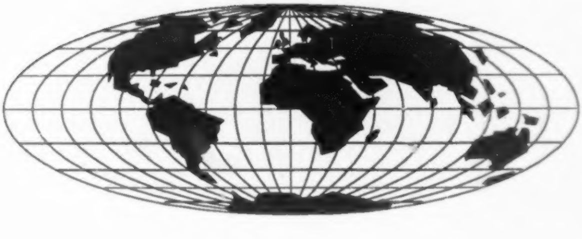
______

______

______

OFFICE MARKETS BY CITY

INTERNATIONAL MARKETS



MONTREAL, QUEBEC: Office

Montreal Area

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	26,000,000	14,000,000	15,000,000	20,000,000
Vacant	2,500,000	2,000,000	2,000,000	800,000
Vacancy Rate	9.6%	14.3%	13.3%	4.0%
Vacant Sublease	1,000,000	250,000	300,000	100,000
Under Construction	1,900,000	2,000,000	0	0
Substantial Rehab	500,000	0	0	0
Net Absorption	1,100,000	1,500,000	100,000	200,000
Rental Rates ($/sf)				
Lowest	25.80	13.76	14.62	8.60
Highest	29.24	17.20	18.06	12.90
Weighted Average	27.52	15.48	16.34	10.75
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $1.08 per sf
Outside CBD $1.08 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 2,500 sf
Outside CBD - 1 per 1,000 sf

Standard Work Letter: $23.65 per sf, typically based on quantity of materals

Operating Cost Escalation: Stop - $6.88 Net

Rate of Return: 8.00%

Cumulative Discount Rate: 15%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Signing Bonuses
- Club Memberships

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance

Minor Activity
- Fortune 500 Firms
- Engineering/Architecture
- Government
- Energy

1990 REVIEW

Montreal's office market eased from the record levels of sales and leasing achieved in 1989. Absorption levels were not quite sufficient to offset substantial new supply and as a result the overall vacancy rate rose from 10 percent to 12.4 percent in 1990. Leasing activity totalled 2.9 million sq. ft. of space and was dominated by legal, accounting, and insurance firms. Sublet space is now more abundant with almost 1.7 million sq. ft. available, prompting concession packages offering cumulative discounts of approximately 15 percent.

1991 FORECAST

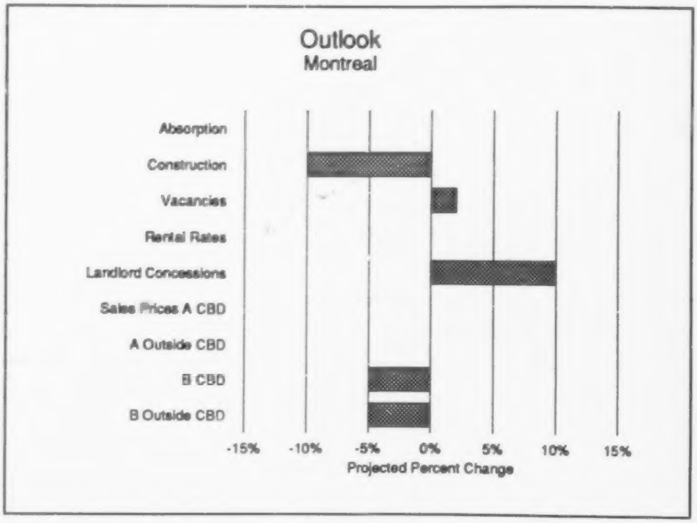
The effects of the Canadian economic slowdown will handicap the Montreal market in 1991. Overall vacancy should climb approximately two percentage points. A decrease in new construction and consistent absorption levels have a stabilizing effect thereafter. Montreal is encouraging revitalization of its central core. It has assumed a role in renovating numerous commercial buildings in Old Montreal's business district and has introduced a Master Development Plan renewing the city's commitment to commercial real estate growth in 1991 and beyond. Look for both of these actions to encourage growth by year-end 1991.

OUTLOOK

Absorption		Same
Construction		Down 10%
Vacancies		Up 2%
Rental Rates		Same
Landlord Concessions		Up 10%
Sales	Class A CBD	Same
Prices	Outside CBD	Same
	Class B CBD	Down 5%
	Outside CBD	Down 5%

DEMOGRAPHICS

		Rank
Population:	n/a	n/a
Population Growth Rate:	n/a	
Unemployment Rate:	n/a	
Med. Household Income:	n/a	n/a
Cost of Living Index:	n/a	n/a



TORONTO, ONTARIO: OFFICE

Metropolitan Toronto

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	38,309,295	29,542,755	19,555,127	24,419,096
Vacant	3,552,531	4,915,731	1,255,154	3,354,908
Vacancy Rate	9.3%	16.6%	6.4%	13.7%
Vacant Sublease	547,090	476,826	176,977	241,553
Under Construction	9,278,511	5,588,201	703,417	1,143,550
Substantial Rehab	0	0	343,600	0
Net Absorption	686,850	1,604,726	-92,326	548,064
Rental Rates ($/sf)				
Lowest	13.98	8.11	11.61	6.88
Highest	58.05	35.00	47.30	27.69
Weighted Average	40.52	22.81	27.05	14.77
Sales Prices ($/sf)				
Lowest	223.60	86.00	197.80	64.50
Highest	348.30	289.80	318.20	172.00
Weighted Average	301.00	167.70	240.80	111.80

Utility Rates: CBD $0.86 per sf
Outside CBD $0.77 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 2,000 sf
Outside CBD - 1 per 300 sf

Standard Work Letter: $25.80 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 6.50%

Cumulative Discount Rate: 25-30%

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Interior Improvements
- Cash

Leasing Activity Profile

Major Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Finance/Banking
- Government

Minor Activity
- Engineering/Architecture
- Energy

OUTLOOK

Absorption			Up 53%
Construction			Up 20%
Vacancies			Up 5-7%
Rental Rates			Up 5%
Landlord Concessions			Same
Sales	Class A	CBD	Same
Prices		Outside CBD	Same
	Class B	CBD	Down 2-6%
		Outside CBD	Down 5-10%

DEMOGRAPHICS

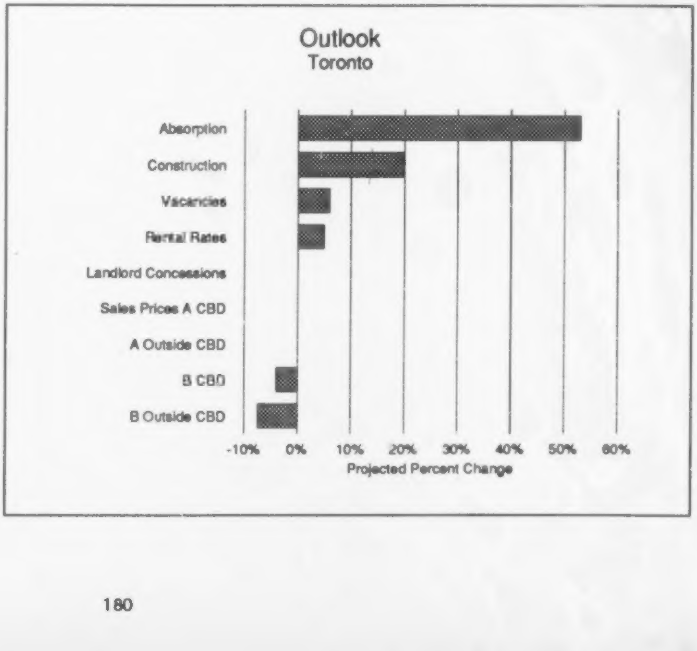
		Rank
Population:	n/a	n/a
Population Growth Rate:	n/a	
Unemployment Rate:	n/a	
Med. Household Income:	n/a	n/a
Cost of Living Index:	n/a	n/a

1990 REVIEW

Canada's largest office market contains over 111 million sq. ft. of space. In 1990 Toronto experienced a supply surge that drove the overall vacancy rate up from eight percent to 11.7 percent. This rate, while considered high for Toronto, is still low when compared to other North American office markets. The suburban areas were more affected by new building where a vacancy rate of 15.3 percent was registered compared to 8.3 percent in the CBD. This growing supply of office space has resulted in generous inducement packages offering cumulative discounts between 25 and 30 percent on 10-year deals. The trends of tenants upgrading space to take advantage of concessions in newer buildings and relocating or splitting operation functions to fringe areas were again prevalent in 1990.

1991 FORECAST

It is anticipated that over 9.8 million sq. ft. of space will be added to the Toronto office market in 1991. Despite the projected eight million sq. ft. of absorption, it will not be enough to offset supply. Vacancies, therefore, are expected to push upward. In 1991 look for the Commercial Concentration Levy which adds a one dollar per sq. ft. levy for office buildings with gross area greater than 200,000 sq. ft. and for all parking lot and garage space. Also look for the Goods and Services Tax to escalate owners' and developers' taxation concerns.



BIRMINGHAM, ENGLAND: OFFICE

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	n/a	n/a	n/a	n/a
Vacant	n/a	n/a	n/a	n/a
Vacancy Rate	n/a	n/a	n/a	n/a
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	n/a	n/a	n/a	n/a
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	n/a	n/a	n/a	n/a
Rental Rates ($/sf)				
Lowest	38.00	28.00	32.00	22.00
Highest	47.50	35.00	38.00	28.00
Weighted Average	n/a	n/a	n/a	n/a
Sales Prices ($/sf)				
Lowest	400.00	300.00	350.00	240.00
Highest	525.00	385.00	400.00	300.00
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $7.50 per sf
Outside CBD $5.00 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 2,000 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $200.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 8.00%

Cumulative Discount Rate: 10%

Landlord Concessions
- Interior Improvements

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Finance/Banking
- Government

Minor Activity
- Fortune 500 Firms
- Business Services
- Sales
- Engineering/Architecture
- Energy

OUTLOOK

Absorption			Same
Construction			Down 10%
Vacancies			Same
Rental Rates			Same
Landlord Concessions			Same
Sales Prices	Class A	CBD	Same
		Outside CBD	Down 10%
	Class B	CBD	Same
		Outside CBD	Down 10%

DEMOGRAPHICS

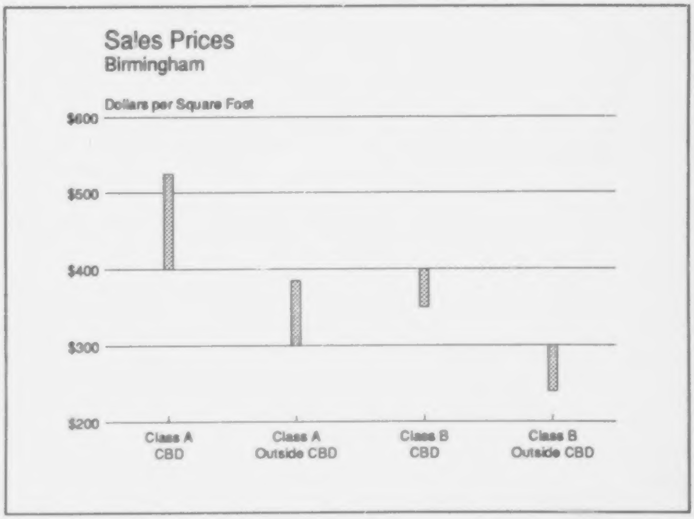
		Rank
Population:	n/a	n/a
Population Growth Rate:	n/a	
Unemployment Rate:	n/a	
Med. Household Income:	n/a	n/a
Cost of Living Index:	n/a	n/a

1990 REVIEW

The Birmingham economy felt the effects of the overall slowdown in Great Britain. This major provincial center, however, maintained steady demand for its office space. The recent deal at Victoria Place for 120,000 sq. ft. by the Trustee Savings Bank indicates the steadiness of demand. New speculative development is declining due to the lack of sites and financing. Relocations from more expensive submarkets continue and the main space takers are accountants and other professional firms.

1991 FORECAST

The outlook for the Birmingham office market in 1991 is for a steady year. Construction levels are expected to be down 10 percent. Most other market indicators are forecast to be the same as year-end 1990 figures. Sales prices for office buildings outside the CBD may see a modest drop, while prices for buildings within the CBD should remain unchanged.



LONDON, ENGLAND: OFFICE

London, Outer South, Croydon, and Bromley

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	n/a	n/a	n/a	n/a
Vacant	n/a	n/a	n/a	n/a
Vacancy Rate	n/a	n/a	n/a	n/a
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	n/a	n/a	n/a	n/a
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	n/a	n/a	n/a	n/a
Rental Rates ($/sf)				
Lowest	40.00	32.00	29.00	20.00
Highest	46.00	38.00	38.00	26.00
Weighted Average	n/a	n/a	n/a	n/a
Sales Prices ($/sf)				
Lowest	440.00	320.00	250.00	170.00
Highest	520.00	380.00	340.00	220.00
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $13 per sf
Outside CBD $7 per sf
Separately Metered

Parking Ratio: CBD - 1 per 5,000 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $230.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 8.50%

Cumulative Discount Rate: 10%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance

Leasing Activity Profile

Major Activity
- Insurance
- Government
- Energy

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Business Services
- Finance/Banking

OUTLOOK

Absorption			Down 25%
Construction			Down 20%
Vacancies			Up 30%
Rental Rates			Down 10%
Landlord Concessions			Up 25%
Sales Prices	Class A	CBD	Down 10%
		Outside CBD	Down 10%
	Class B	CBD	Down 10%
		Outside CBD	Down 10%

DEMOGRAPHICS

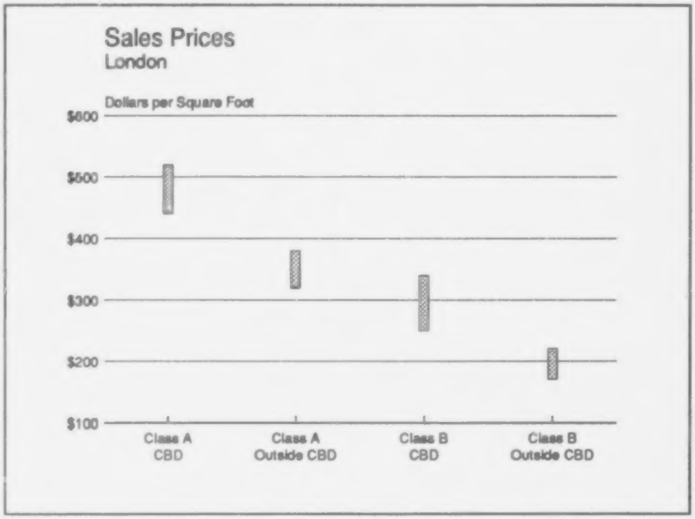
		Rank
Population:	n/a	n/a
Population Growth Rate:	n/a	
Unemployment Rate:	n/a	
Med. Household Income:	n/a	n/a
Cost of Living Index:	n/a	n/a

1990 REVIEW

The Central London office market is becoming increasingly divided between larger, top quality buildings and smaller, secondhand space. Demand is active for the higher quality space with large companies dominating the leasing. The older buildings are having difficulty as they depend on smaller companies which are now particularly stressed. Banking and related industries continue to produce strong leasing demand. The location of the European Bank for Reconstruction and Development in London was a major boost. This was followed in importance by Daiwa Securities and The Industrial Bank of Japan agreeing to terms for occupancy in the city.

1991 FORECAST

The prospects for the London office market in 1991 are weak. Demand is forecast to drop, resulting in a significant increase in vacancies. The softness of the market will force rental rates down and allow for greater flexibility in leasing terms. Building sales prices are anticipated to come down, which may stimulate overseas investors.



PARIS, FRANCE: OFFICE

Paris Region, France

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	n/a	n/a	-	-
Vacant	2,200,000	20,000,000	-	-
Vacancy Rate	n/a	n/a	-	-
Vacant Sublease	n/a	n/a	-	-
Under Construction	2,100,000	20,000,000	-	-
Substantial Rehab	n/a	n/a	-	-
Net Absorption	n/a	n/a	-	-
Rental Rates ($/sf)				
Lowest	60.00	40.00	45.00	15.00
Highest	100.00	70.00	65.00	40.00
Weighted Average	80.00	50.00	50.00	30.00
Sales Prices ($/sf)				
Lowest	800.00	600.00	400.00	160.00
Highest	2,500.00	1,200.00	750.00	400.00
Weighted Average	1,200.00	800.00	500.00	250.00

Utility Rates: CBD $6.00 per sf
Outside CBD $4.00 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 2,000 sf
Outside CBD - 1 per 400 sf

Standard Work Letter: n/a, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 5.00%

Cumulative Discount Rate: n/a

Landlord Concessions
- Parking

Leasing Activity Profile

Major Activity
- Fortune 500 Firms
- Legal/Accounting
- Business Services
- Finance/Banking
- Government

Minor Activity
- Insurance
- Sales

OUTLOOK

Absorption			Same
Construction			Down 5%
Vacancies			Same
Rental Rates			n/a
Landlord Concessions			Same
Sales	Class A	CBD	Up 10%
Prices		Outside CBD	Up 10%
	Class B	CBD	Same
		Outside CBD	Same

DEMOGRAPHICS

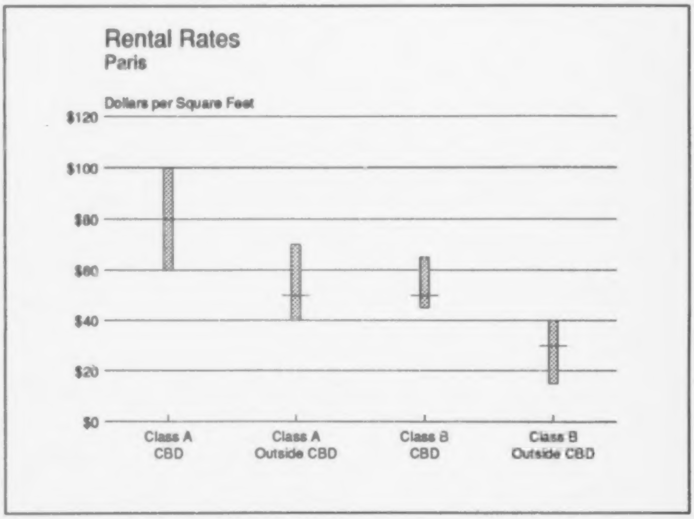
		Rank
Population:	n/a	n/a
Population Growth Rate:	n/a	
Unemployment Rate:	n/a	
Med. Household Income:	n/a	n/a
Cost of Living Index:	n/a	n/a

1990 REVIEW

Market conditions were strong in 1990 confirming the health of the Paris regional office market. Public investments were made to improve the transportation network. The extensive system of motorways, railways, and the tube has increased access to parts of the regional office market. Ile de France is cited as an area that has displayed excellent transportation performance. The most significant trend during 1990 was the relocation of several big users from the center of Paris to the suburbs. These moves were prompted by the higher rents and lack of modern offices in the CBD.

1991 FORECAST

New speculative development is forecast to be down in 1991. After several years of significant additions to supply, SIOR's observer expects that the market is going to self-regulate. Developers are aware that many new buildings are now rentable in the region and they must wait for their commercial success. Most other market indicators are expected to remain steady in 1991.



MEXICO CITY, MEXICO: OFFICE

Mexico City, Mexico

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	500,000	19,000,000	4,200,000	84,500,000
Vacant	20,000	180,000	250,000	600,000
Vacancy Rate	4.0%	0.9%	6.0%	0.7%
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	0	600,000	0	400,000
Substantial Rehab	0	0	150,000	300,000
Net Absorption	0	400,000	0	800,000
Rental Rates ($/sf)				
Lowest	n/a	33.00	n/a	9.00
Highest	n/a	58.00	n/a	12.00
Weighted Average	n/a	n/a	n/a	n/a
Sales Prices ($/sf)				
Lowest	n/a	125.00	n/a	50.00
Highest	n/a	180.00	n/a	90.00
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $4.20 per sf
Outside CBD $3.50 per sf
Separately Metered

Parking Ratio: CBD - 1 per 8,000 sf
Outside CBD - 1 per 1,000 sf

Standard Work Letter: n/a

Operating Cost Escalation: None

Rate of Return: 12.00%

Cumulative Discount Rate: n/a

Landlord Concessions
Parking

Leasing Activity Profile

Major Activity
- Fortune 500 Firms
- Legal/Accounting
- Business Services
- Sales

Minor Activity
- Insurance
- Finance/Banking
- Engineering/Architecture
- Government

OUTLOOK

Absorption			Up 2%
Construction			Up 2%
Vacancies			Down .5%
Rental Rates			Up 20%
Landlord Concessions			Same
Sales Prices	Class A	CBD	Same
		Outside CBD	Up 25%
	Class B	CBD	Same
		Outside CBD	Up 10%

DEMOGRAPHICS

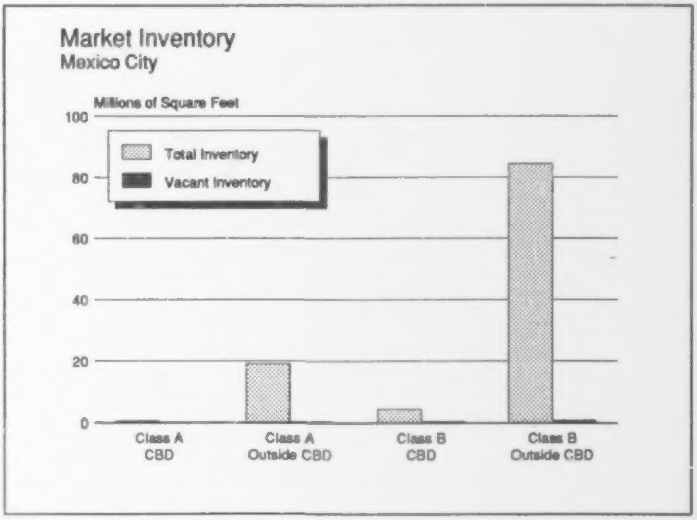
		Rank
Population:	n/a	n/a
Population Growth Rate:	n/a	
Unemployment Rate:	n/a	
Med. Household Income:	n/a	n/a
Cost of Living Index:	n/a	n/a

1990 REVIEW

The Mexico City office market is still experiencing a space deficit caused by the destruction from the 1985 earthquake. In 1990, however, the city was able to initiate the rebuilding or remodeling of unoccupied or damaged buildings left by the earthquake. This should add needed space to this office market. The eventual Free-Trade opening of the country is expected to increase the demand for Class "A" space as the number of international companies locating in Mexico City grow. Another potential consequence of the Free-Trade Agreement is the anticipated closing of small national firms which will increase the available Class "B" space.

1991 FORECAST

The Free Trade Agreement with Mexico should remain in negotiation over the next two years. New or rebuilt office buildings coming on line in 1991 will help to relieve the space deficit. SIOR's observer points out that the office-condo is the most popular form of office occupancy in Mexico.



Oslo, NORWAY: Office

Oslo, Norway

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	5,000,000	14,000,000	3,000,000	17,000,000
Vacant	300,000	1,000,000	n/a	n/a
Vacancy Rate	6.0%	7.1%	n/a	n/a
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	750,000	750,000	n/a	n/a
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	0	0	n/a	n/a
Rental Rates ($/sf)				
Lowest	21.00	14.00	13.00	9.00
Highest	35.00	24.00	19.00	15.00
Weighted Average	n/a	n/a	n/a	n/a
Sales Prices ($/sf)				
Lowest	230.00	140.00	120.00	70.00
Highest	450.00	270.00	210.00	150.00
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $37 per sf
Outside CBD $25 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 250 sf
Outside CBD - 1 per 300 sf

Standard Work Letter: typically based on dollars per square foot

Operating Cost Escalation: n/a

Rate of Return: 11.00%

Cumulative Discount Rate: n/a

Landlord Concessions
- Parking
- Rental Abatement
- Interior Improvements

Leasing Activity Profile

Major Activity
- Insurance
- Business Services
- Finance/Banking
- Engineering/Architecture
- Government

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Sales

OUTLOOK

Absorption		Same
Construction		Down 50%
Vacancies		Up 5%
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	Same
	Outside CBD	Same
	Class B CBD	Down 15%
	Outside CBD	Down 10%

DEMOGRAPHICS

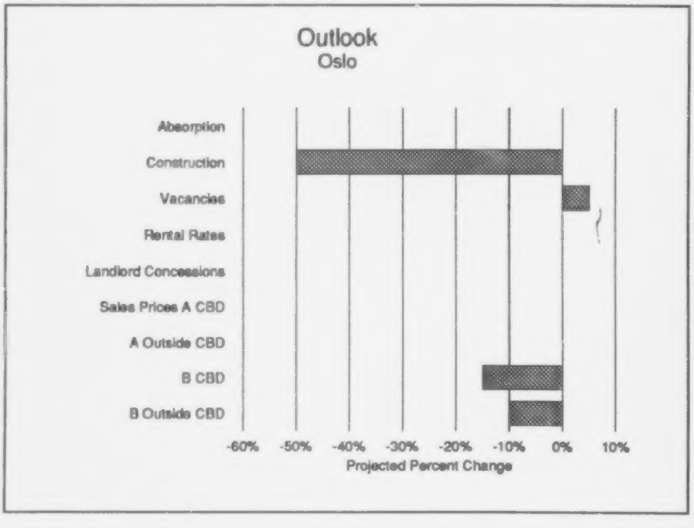
		Rank
Population:	n/a	n/a
Population Growth Rate:	n/a	
Unemployment Rate:	n/a	
Med. Household Income:	n/a	n/a
Cost of Living Index:	n/a	n/a

1990 REVIEW

The Oslo economy has managed to reach a stable inflation level at five percent and unemployment rates are expected to decrease. SIOR's Oslo researcher, however, questions government expected to bring increasing mortgage and oil prices. Swedish investors are consolidating operations or relocating to there homeland entirely. In 1990, movement among tenants from old buildings to new buildings was a common occurrence. Buyers are mostly users, pension funds, and larger real estate companies. For the Oslo office market the amount of vacant space represents an oversupply and creates a tenant's market.

1991 FORECAST

New speculative development is forecast to be cut in half in 1991. Reduced rental rates and low demand make new construction a risky venture, thereby freezing proposed projects. This slowdown in supply coupled with a modest increase in absorption should push vacancies downward. Concession packages, however, should remain favorable this year.



UNITED STATES MARKETS

Albany, New York: Office

Albany, Colonie, Guilderland, Bethlehem, East Greenbush, and Clifton Park

Market Data

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	1,166,000	3,396,400	2,951,800	2,363,400
Vacant	114,150	333,550	298,900	206,550
Vacancy Rate	9.8%	9.8%	10.1%	8.7%
Vacant Sublease	28,000	0	0	0
Under Construction	155,000	181,000	0	0
Substantial Rehab	0	0	0	0
Net Absorption	n/a	n/a	n/a	n/a
Rental Rates ($/sf)				
Lowest	15.00	14.00	13.00	11.00
Highest	23.00	18.00	16.00	15.00
Weighted Average	16.50	16.00	14.25	13.00
Sales Prices ($/sf)				
Lowest	100.00	75.00	50.00	50.00
Highest	145.00	100.00	75.00	75.00
Weighted Average	105.00	80.00	60.00	60.00

Utility Rates: CBD $1.25-1.50 per sf
Outside CBD $1.25-1.50 per sf
Separately Metered

Parking Ratio: CBD - 1 per 1,000 sf
Outside CBD - 1 per 200 sf

Standard Work Letter: $18.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 11.50%

Cumulative Discount Rate: 10-15%

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Interior Improvements

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Business Services
- Finance/Banking
- Government

Minor Activity
- Fortune 500 Firms
- Sales
- Engineering/Architecture

Outlook

Absorption		Down 5-10%
Construction		Down 10-20%
Vacancies		Up 1-2%
Rental Rates		Down 5%
Landlord Concessions		Up 10%
Sales Prices	Class A CBD	Down 0-5%
	Outside CBD	Down 0-5%
	Class B CBD	Down 0-5%
	Outside CBD	Down 0-5%

Demographics

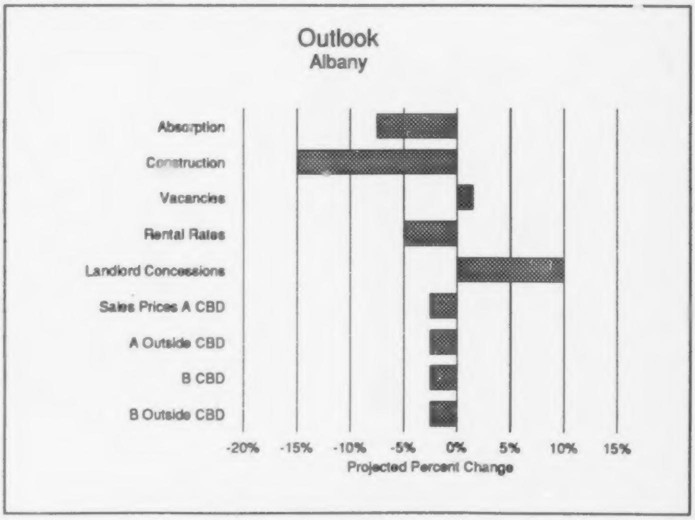
		Rank
Population:	862,087	56
Population Growth Rate:	0.31%	
Unemployment Rate:	3.40%	
Med. Household Income:	$32,610	34
Cost of Living Index:	107.1	18

1990 Review

The Albany office market continued to boast occupancy of around 90 percent for nearly 10 million square feet of space. The demand for space, however, has been highly dependent on location. The suburban market experienced high demand for single-user buildings in upscale park settings. Blue Cross/Blue Shield signed a major 375,000 sq. ft. lease. In the Albany CBD, demand was soft due to a slowdown in FIRE sector job growth and decreased activity by government/lobby organizations. Many CBD vacancies were a result of move up into newer facilities. As the market softened, concessions increased into the 10 to 15 percent range. New York State budget woes and the threat of government layoffs upset what generally has been a stabilizing influence for Albany.

1991 Forecast

The expected slowdown in employment should result in a decrease in net absorption. The prospects for the Albany office market to remain in balance, however, are good. Projects slated to begin construction in 1991 will probably not start until anchor tenants are secured. Tighter financing requirements will also add to this conservative approach. Rental rates are expected to remain flat or decline slightly.



ALBUQUERQUE, NEW MEXICO: OFFICE

Albuquerque, New Mexico

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	1,588,000	2,202,000	1,645,000	3,725,000
Vacant	452,044	318,033	347,146	971,257
Vacancy Rate	28.5%	14.4%	21.1%	26.1%
Vacant Sublease	0	4,951	0	35,210
Under Construction	0	0	0	50,000
Substantial Rehab	0	0	59,600	0
Net Absorption	145,956	122,367	-15,146	-253,657
Rental Rates ($/sf)				
Lowest	11.75	9.50	9.00	8.50
Highest	19.00	18.00	15.00	11.00
Weighted Average	15.62	14.58	11.44	11.07
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $2.50 per sf
Outside CBD $2.50 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 2,000 sf
Outside CBD - 1 per 200 sf

Standard Work Letter: $15.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Stop - $4.25

Rate of Return: n/a

Cumulative Discount Rate: 15%

Landlord Concessions
- Parking
- Rental Abatement
- Interior Improvements

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance

Minor Activity
- Fortune 500 Firms
- Business Services
- Sales

OUTLOOK

Absorption		Up 10%
Construction		Same
Vacancies		Down 10%
Rental Rates		Same
Landlord Concessions		Up 5%
Sales Prices	Class A CBD	Same
	Outside CBD	Same
	Class B CBD	Same
	Outside CBD	Same

DEMOGRAPHICS

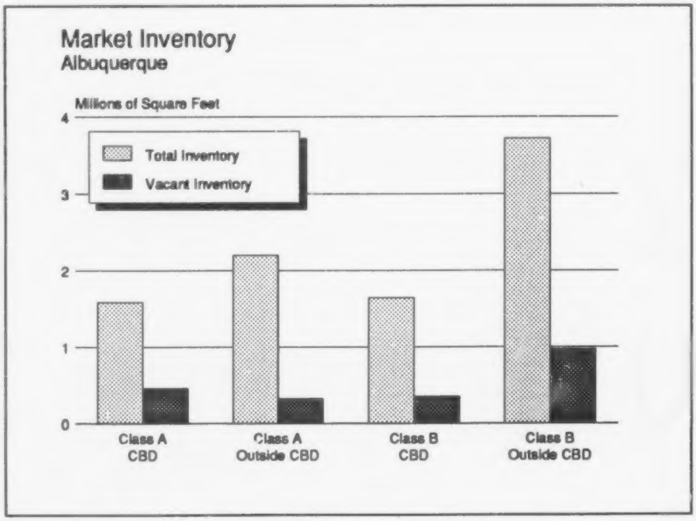
		Rank
Population:	493,201	83
Population Growth Rate:	1.63%	
Unemployment Rate:	4.70%	
Med. Household Income:	$27,371	83
Cost of Living Index:	101.8	34

1990 REVIEW

Albuquerque has not yet turned its overbuilt office market around. Absorption failed to reach forecasted levels in 1990, leaving the Albuquerque office market out of balance again. Overall vacancies climbed to 22.8 percent, representing over two million sq. ft. of available space, as negative net absorption occurred. Rental rates fell in 1990 and concession packages offered cumulative discounts of approximately 15 percent.

1991 FORECAST

Albuquerque's outlook for 1991 is guardedly optimistic. New speculative development is not economically viable for 1991. Albuquerque will begin to benefit from activity by out-of-state companies considering relocation, expansion, or start-up facilities. This activity should be generated primarily by manufacturing and service firms attracted by the large, efficient labor force, the productive technical-vocational institute, the quality of life, and the economic incentives offered by the city and state. Therefore, look for absorption levels to pick up and vacancies to begin to edge downward as the national recession winds down.



AtlANTA, GEORGIA: Office

Atlanta, Georgia

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	18,065,936	58,686,532	-	-
Vacant	1,773,915	10,913,766	-	-
Vacancy Rate	9.8%	18.6%	-	-
Vacant Sublease	681,812	948,924	-	-
Under Construction	4,315,000	2,255,000	-	-
Substantial Rehab	n/a	n/a	-	-
Net Absorption	978,457	1,901,485	-	-
Rental Rates ($/sf)				
Lowest	16.00	15.00	10.00	10.00
Highest	27.00	23.00	14.00	12.00
Weighted Average	23.43	19.61	12.66	10.56
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $1.50 per sf
Outside CBD $1.50 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 750 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $14.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year and Stop - $5.00-7.00

Rate of Return: 11.00%

Cumulative Discount Rate: 20-25%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Club Memberships

Leasing Activity Profile

Major Activity
- Fortune 500 Firms
- Legal/Accounting
- Business Services
- Sales
- Finance/Banking

Minor Activity
- Insurance
- Engineering/Architecture
- Government
- Energy

OUTlook

Absorption		Down 5%
Construction		Down 5%
Vacancies		Up 1-2%
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	Same
	Outside CBD	Same
	Class B CBD	Same
	Outside CBD	Same

DEMOGRAPHICS

		Rank
Population:	2,793,274	9
Population Growth Rate:	2.71%	
Unemployment Rate:	6.40%	
Med. Household Income:	$37,310	14
Cost of Living Index:	102.0	32

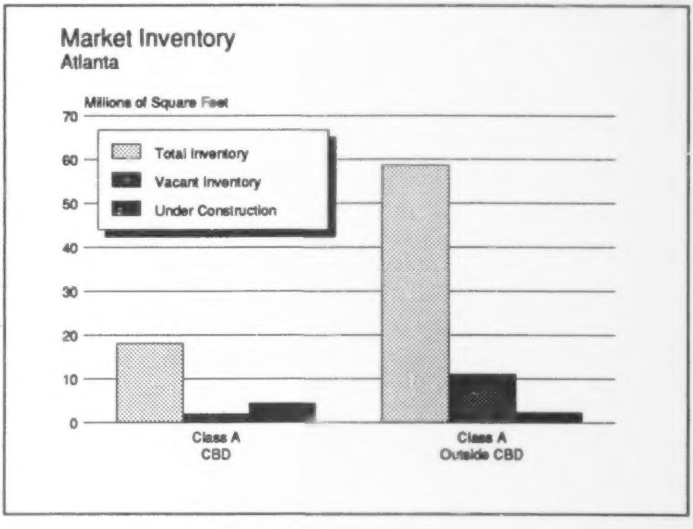
1990 REVIEW

A downshift in demand from the financial sector slowed absorption by 9.4 percent between 1989 and 1990, just as office construction accelerated. Vacancy rates of 16 to 18 percent portrayed the overbuilt conditions. Demand was steady for good quality sublease space. Shifting from old to new space continues to be a major source of tenant activity. Build-to-suits in the 30,000 to 50,000 sq. ft. range provided some strength to the market. The majority of Atlanta's office buildings are located in several submarkets outside of the CBD. Well-located office parks held an advantage in 1990, attracting full floor tenants resisting the cost of high-rise space.

1991 FORECAST

Approximately 6.6 million sq. ft. of office space is under construction in the Atlanta area, significantly higher than last year. Two-thirds of the space under construction is in the CBD, primarily in two towers expected to be finished in 1991. This will shift the CBD vacancy rate of 9.8 percent upward. While some expect office demand to be boosted by preparations for the 1996 Olympics, SIOR's reporter sees a five percent retreat in absorption in 1991. White collar job growth will likely be more moderate in the '90s than in the '80s. The sublease market is expected to remain active as a midrange price alternative.

(Note: Inventory figures include both Class "A" and Class "B" space.)



AUSTIN, TEXAS: OFFICE

Austin, Texas

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	3,190,778	4,894,020	4,509,109	8,319,879
Vacant	675,044	696,998	896,296	1,977,312
Vacancy Rate	21.2%	14.2%	19.9%	23.8%
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	0	0	0	0
Substantial Rehab	0	0	0	0
Net Absorption	49,010	261,931	-44,875	538,818
Rental Rates ($/sf)				
Lowest	12.00	10.00	7.80	7.00
Highest	18.25	18.00	12.00	10.00
Weighted Average	16.00	13.00	10.00	9.00
Sales Prices ($/sf)				
Lowest	31.00	36.22	n/a	16.74
Highest	62.74	81.50	n/a	40.07
Weighted Average	57.54	63.57	n/a	24.52

Utility Rates: CBD $1.98 per sf
Outside CBD $1.98 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 600 sf
Outside CBD - 1 per 300 sf

Standard Work Letter: $16.00 per sf, typically based on quantity of materals

Operating Cost Escalation: Base Year

Rate of Return: n/a

Cumulative Discount Rate: 5%

Landlord Concessions
- Parking
- Rental Abatement
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Government

Minor Activity
- Fortune 500 Firms
- Finance/Banking
- Engineering/Architecture
- Energy

OUTLOOK

Absorption		Up 15%
Construction		Same
Vacancies		Down 15%
Rental Rates		Up 15%
Landlord Concessions		Down 10%
Sales Prices	Class A CBD	Same
	Outside CBD	Same
	Class B CBD	Same
	Outside CBD	Same

DEMOGRAPHICS

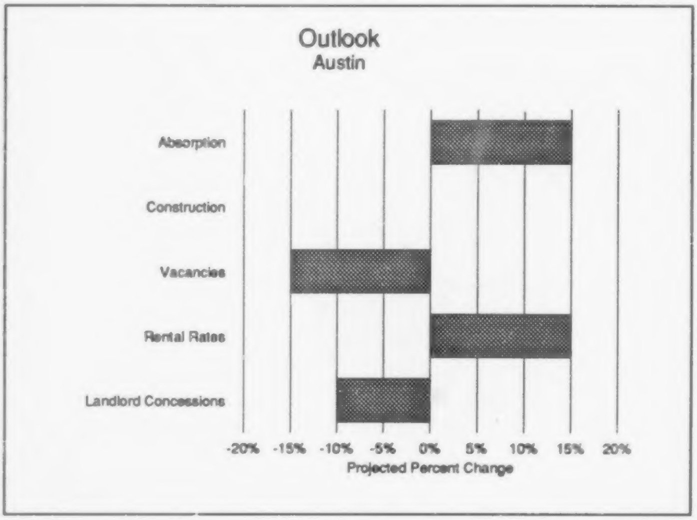
		Rank
Population:	845,079	58
Population Growth Rate:	4.64%	
Unemployment Rate:	4.80%	
Med. Household Income:	$28,936	74
Cost of Living Index:	98.2	49

1990 REVIEW

The Austin office market experienced significant recovery in 1990. The overall vacancy rate dropped from 30.3 percent last year to 21.5 percent this year. This recovery was aided by the purchase of three office buildings by the state of Texas. In effect, this took over 800,000 sq. ft. off the market. Rental rates displayed strength especially outside the CBD. Austin's improvement appears to be the result of renewed growth in government, trade, and services sectors offsetting weakness due to the slump in demand for semiconductors and other electronic products. SIOR's reporters indicate that the significant leasing activity was generated by consistent demand from lease expirations, expansions, and lateral and upgraded moves to take advantage of lower rental rates. Investor activity increased in 1990 as sales prices remained at levels attractive to purchasers with staying power.

1991 FORECAST

Austin's recovery is expected to continue in 1991. Speculative development is non-existent in the face of overbuilt conditions, lack of financing, and market rents that do not support new construction. No new construction and increasing absorption means that vacancy rates should decline further and rental rates should move upward.



BALTIMORE, MARYLAND: OFFICE

Baltimore County and City, Howard County, Hunt Valley, and Greater Towson

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	6,947,339	11,576,364	4,891,832	4,807,486
Vacant	795,874	2,221,789	1,428,895	779,820
Vacancy Rate	11.5%	19.2%	29.2%	16.2%
Vacant Sublease	60,447	28,313	4,320	32,503
Under Construction	801,000	549,722	n/a	50,353
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	190,208	452,933	106,165	55,133
Rental Rates ($/sf)				
Lowest	17.00	15.00	10.00	12.50
Highest	32.00	20.00	23.00	17.50
Weighted Average	24.50	18.00	16.50	14.00
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	75.00
Highest	n/a	n/a	n/a	90.00
Weighted Average	n/a	n/a	n/a	80.00

Utility Rates: CBD $1.50 per sf
Outside CBD $1.30 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 1,000 sf
Outside CBD - 1 per 500 sf

Standard Work Letter: $17.50 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year and Stop - When used: $6.50 - $7.50

Rate of Return: 10.00%

Cumulative Discount Rate: 15%

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Government

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Energy

OUTLOOK

Absorption		Down
Construction		Down 20%
Vacancies		Up 5%
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	Same
	Outside CBD	Same
	Class B CBD	Down 5%
	Outside CBD	Down 5%

DEMOGRAPHICS

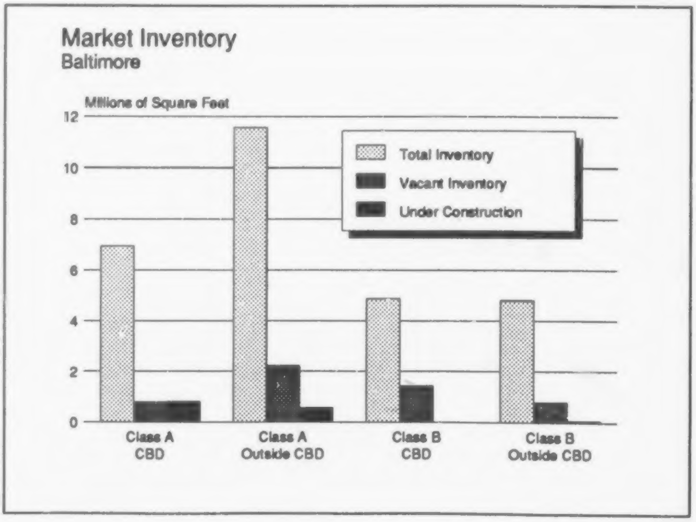
		Rank
Population:	2,368,733	16
Population Growth Rate:	0.74%	
Unemployment Rate:	4.90%	
Med. Household Income:	$38,139	11
Cost of Living Index:	110.3	13

1990 REVIEW

The government and defense sectors have supplanted heavy manufacturing as the mainstays of the Baltimore economy. During 1990, the economic base proved sufficiently stable to post an 18.5 percent vacancy rate, a rise of only three-tenths of a point over the previous year. As in most markets, speculative development is virtually stalled in the light of construction market economics and the stringent lending environment. In 1990 the suburbs continued to dominate the downtown office market by absorbing approximately 500,000 sq. ft. The vacancy rate for Class "A" CBD space decreased to 11.5 percent at the expense of Class "B" CBD space which had a vacancy rate of 29.2 percent.

1991 FORECAST

With the slowing of the national economy, cuts in the national defense budget, and cuts in Maryland's own budget resulting from the state's budget deficit, the Baltimore economy will experience slow growth in 1991. Vacancies will rise in 1991 as 1.3 million sq. ft. of space is delivered in the market, 60 percent of which will be downtown. While 37 percent of the space is pre-leased, this still leaves a large supply to be absorbed in the midst of a slow economy and low employment growth.



BIRMINGHAM, ALABAMA: OFFICE

Birmingham, Highway 280 area, Homewood, Hoover, Riverchase, and Vestavia

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	2,832,880	3,650,770	1,980,035	3,570,484
Vacant	540,093	653,487	615,513	639,116
Vacancy Rate	19.1%	17.9%	31.1%	17.9%
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	0	185,000	0	0
Substantial Rehab	0	0	0	0
Net Absorption	152,356	396,685	0	53,946
Rental Rates ($/sf)				
Lowest	14.50	11.00	9.90	9.00
Highest	19.00	15.75	13.00	16.50
Weighted Average	n/a	n/a	n/a	n/a
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	40.00
Highest	n/a	n/a	n/a	50.00
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $1.85 per sf
Outside CBD $1.76 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 1,000 sf
Outside CBD - 1 per 200 sf

Standard Work Letter: $15.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Stop - $4.00 - $4.50

Rate of Return: 12.50%

Cumulative Discount Rate: 27.5%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Signing Bonuses

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Engineering/Architecture
- Medical & Research

Minor Activity
- Fortune 500 Firms
- Business Services
- Sales
- Finance/Banking
- Government
- Energy

OUTLOOK

Absorption		Down 10%
Construction		Down 10%
Vacancies		Same
Rental Rates		Same
Landlord Concessions		Up 20%
Sales Prices	Class A CBD	Same
	Outside CBD	Down 15%
	Class B CBD	Down 15%
	Outside CBD	Down 15%

DEMOGRAPHICS

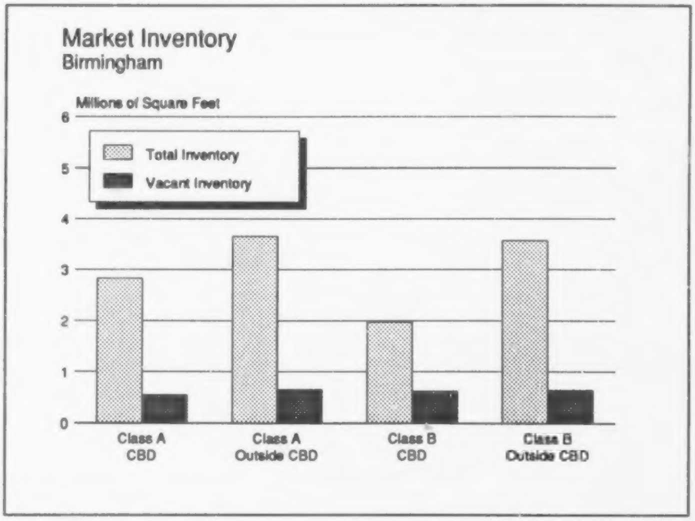
		Rank
Population:	937,846	54
Population Growth Rate:	0.59%	
Unemployment Rate:	6.40%	
Med. Household Income:	$25,569	94
Cost of Living Index:	98.7	47

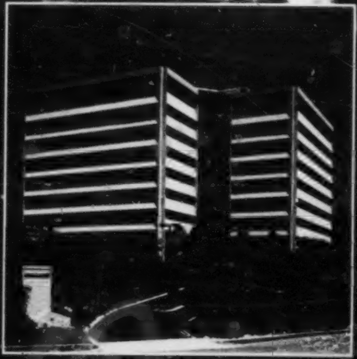
1990 REVIEW

Net absorption showed significant improvement in 1990. The result was a drop in the marketwide vacancy rate from 22.2 percent to 20.3 percent. Modern suburban business parks posted the strongest gains, with net absorption of nearly 400,000 sq. ft. over the year. The weakest segment of this market is Class "B" space in the CBD where vacancies exceed 30 percent. Tenants can negotiate favorable leases while upgrading their space. Leasing concessions effect discounts between 25 and 30 percent over the lease term. Sales activity was minimal, with the only recorded sales occurring outside the CBD in Class "B" space. The sales prices ranged from $40 to $50 per sq. ft. Birmingham's expanding health care industry helps to invigorate the office market. Biomedical research facilities are stimulating new ventures, with the bulk of recent office construction in connection with the Alabama Medical Center.

1991 FORECAST

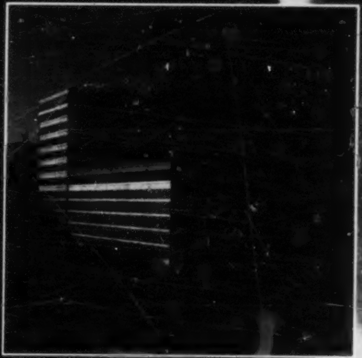
Construction activity will be minimal in this market in the foreseeable future. Local market conditions and the sluggish national economy have resulted in developers and investors taking a wait and see attitude. Rental rates are expected to remain flat and concessions will continue to be offered to attract tenants. As manufacturing slows throughout the state, rural workers will seek jobs in urban areas, spurring labor force increases in Birmingham's services sector.





Beacon Ridge Tower
Beacon Parkway West
A Insurance Property

International Park
Acton Road at I-459



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BOSTON, MASSACHUSETTS: Office

Boston, Massachusetts

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	33,000,000	43,000,000	10,300,000	n/a
Vacant	5,000,000	8,500,000	1,800,000	n/a
Vacancy Rate	15.2%	19.8%	17.5%	n/a
Vacant Sublease	1,000,000	2,000,000	300,000	n/a
Under Construction	3,100,000	500,000	0	n/a
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	0	800,000	0	n/a
Rental Rates ($/sf)				
Lowest	18.00	12.00	15.00	n/a
Highest	40.00	21.00	22.00	n/a
Weighted Average	29.00	16.50	18.50	n/a
Sales Prices ($/sf)				
Lowest	100.00	n/a	n/a	n/a
Highest	200.00	n/a	n/a	n/a
Weighted Average	150.00	n/a	n/a	n/a

Utility Rates: CBD $0.50-0.75 per sf
Outside CBD $0.50-0.75 per sf
Separately Metered

Parking Ratio: CBD - n/a
Outside CBD - n/a

Standard Work Letter: n/a, typically based on dollars per square foot

Operating Cost Escalation: Base Year and Stop - $4.00 - $5.50

Rate of Return: n/a

Cumulative Discount Rate: 20%

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Signing Bonuses
- Club Memberships

Leasing Activity Profile

Major Activity
- Government

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Finance/Banking
- Engineering/Architecture
- Energy

OUTLOOK

Absorption		Up
Construction		Down 50%
Vacancies		Up 10%
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	Down 5%
	Outside CBD	Down 15%
	Class B CBD	Down 15%
	Outside CBD	n/a

DEMOGRAPHICS

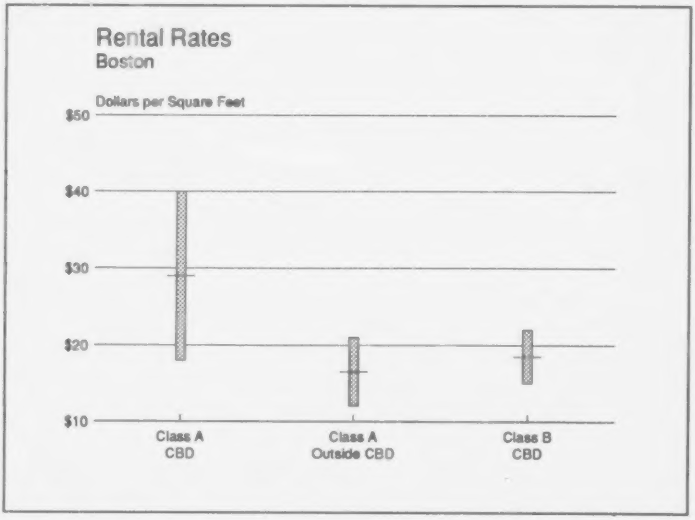
		Rank
Population:	2,711,988	10
Population Growth Rate:	-0.34%	
Unemployment Rate:	5.50%	
Med. Household Income:	$43,373	8
Cost of Living Index:	n/a	n/a

1990 REVIEW

The office market in Boston faces hard times as the booming economy of the Eighties unravels. The mini-computer industry finds its market share retreating, and job cuts have struck Wang, Digital Equipment, and Data General. Defense and technology firms are also hard-hit. Five Massachusetts banks have been shuttered. The Bank of New England, the nation's 33rd largest, has been seized by the Federal Government and will be sold. Amidst this turmoil, the overall office vacancy rate climbed almost three percentage points to 17.7 percent. Net absorption levels were down considerably to only 800,000 sq. ft. Rental rates dropped significantly for all market sectors and concession packages offer cumulative discounts of approximately 20 percent.

1991 FORECAST

The Boston office market is not expected to show much improvement in 1991. Many tenants will continue to downsize and reduce their rental obligations by up to 20 percent on a per sq. ft. basis. SIOR's observer expects to see the formation of "Vulture Funds" for the acquisition of investment grade real estate at unusually low prices. Speculative development will be virtually non-existent in 1991. This will not be enough, however, to stop vacancies from rising. In such an environment, quoted rents will be lucky to hold steady with concessions representing an effective 20 percent discount to tenants.



BRIDGEPORT, CONNECTICUT: OFFICE

Bridgeport, Fairfield, Shelton, and Trumbull

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	1,122,808	4,098,531	1,035,951	407,000
Vacant	188,865	711,693	214,518	144,377
Vacancy Rate	16.8%	17.4%	20.7%	35.5%
Vacant Sublease	n/a	367,797	4,470	n/a
Under Construction	0	0	0	0
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	-56,891	248,224	-62,518	12,798
Rental Rates ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	17.47	17.47	17.02	17.02
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	80.00	80.00	60.00	60.00

Utility Rates: CBD $2.00 per sf
Outside CBD $2.00 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 500 sf
Outside CBD - 1 per 300 sf

Standard Work Letter: $25.00 per sf, typically based on $/sf and quantity of materials

Operating Cost Escalation: Base Year

Rate of Return: 10.00%

Cumulative Discount Rate: 30%

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Insurance
- Engineering/Architecture

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Business Services
- Sales
- Finance/Banking
- Government
- Energy

OUTLOOK

Absorption		Same
Construction		Down 10%
Vacancies		Down 10%
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	Same
	Outside CBD	n/a
	Class B CBD	n/a
	Outside CBD	n/a

DEMOGRAPHICS

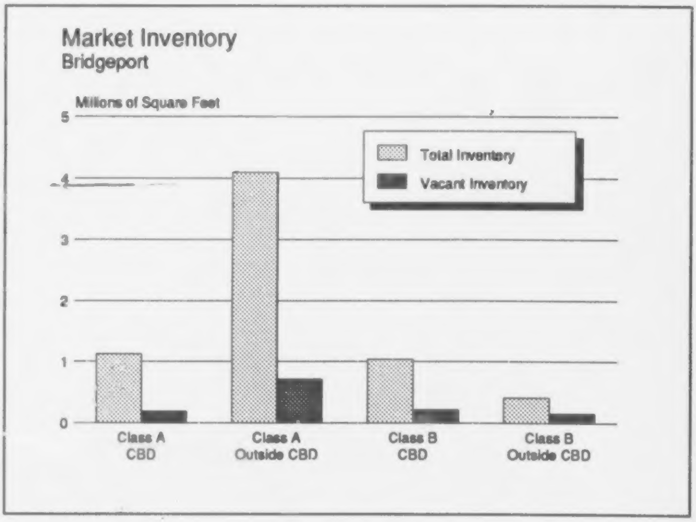
		Rank
Population:	441,428	88
Population Growth Rate:	0.07%	
Unemployment Rate:	6.30%	
Med. Household Income:	$42,840	9
Cost of Living Index:	n/a	n/a

1990 REVIEW

Bridgeport is highly dependent on the defense industry. Three major employers, UTC Sikorsky Aircraft, Perkin-Elmer, and Textron, are vulnerable to defense cuts and will absorb the largest blows during the state and national recessions. Moreover, downsizing at New York City's banks and brokerage firms has a spillover effect in the Bridgeport area. This office market contains 6.7 million sq. ft. of office space with an overall vacancy rate of 18.9 percent. Particular weakness exists in the Class "B" sector outside the CBD where the vacancy rate is 35.5 percent. Net absorption levels stood at 141,613 sq. ft. and no office space was under construction in 1990.

1991 FORECAST

SIOR's observer expects 1991 to be a flat year in the Bridgeport office market. Absorption levels will be consistent with last year. Major leasing activity will be the result of movement by insurance, engineering, and architecture firms. Rental rates should be flat and concession packages will continue to offer cumulative discounts of approximately 30 percent. With no speculative development occurring again in 1991, it is hoped the vacancy rates may begin to edge downward by year-end.



Buffalo, New York: Office

Buffalo and Amherst

Market Data

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	2,756,223	848,560	1,848,000	1,159,820
Vacant	571,500	156,270	337,081	151,995
Vacancy Rate	20.7%	18.4%	18.2%	13.1%
Vacant Sublease	79,500	0	24,380	7,500
Under Construction	168,200	0	0	0
Substantial Rehab	0	0	50,000	0
Net Absorption	-250,000	-22,130	0	62,405
Rental Rates ($/sf)				
Lowest	16.00	15.00	10.00	12.00
Highest	25.40	18.00	16.00	15.00
Weighted Average	20.00	15.80	14.50	13.00
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	57.00	n/a	n/a	44.70
Weighted Average	57.00	n/a	n/a	44.70

Utility Rates: CBD $2.25 per sf
Outside CBD $1.30 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 1,000 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $15.00 per sf, typically based on quantity of materals

Operating Cost Escalation: Base Year and Stop - $1.25

Rate of Return: 11.50%

Cumulative Discount Rate: 12.5%

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Interior Improvements

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Government

Minor Activity
- Fortune 500 Firms
- Insurance
- Business Services
- Sales
- Finance/Banking
- Engineering/Architecture
- Energy

Outlook

Absorption		Down 10-20%
Construction		Down 50-75%
Vacancies		Up 7-10%
Rental Rates		Same
Landlord Concessions		Up 5-10%
Sales Prices	Class A CBD	Same
	Outside CBD	Same
	Class B CBD	Same
	Outside CBD	Same

Demographics

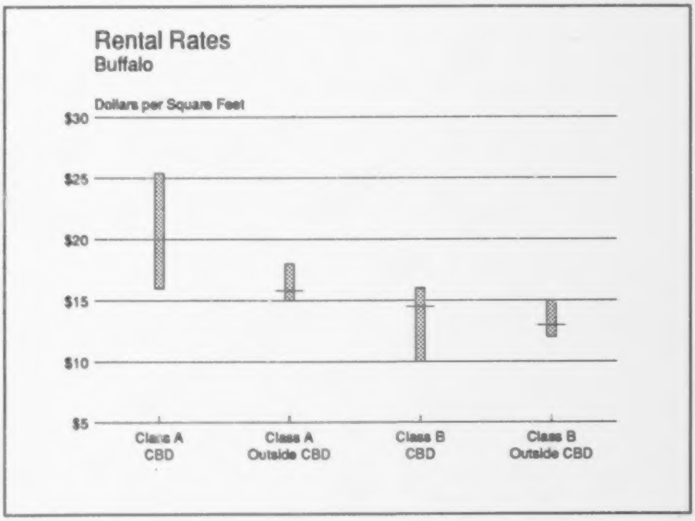
		Rank
Population:	1,003,190	47
Population Growth Rate:	-0.12%	
Unemployment Rate:	4.40%	
Med. Household Income:	$29,101	72
Cost of Living Index:	109.6	14

1990 Review

Stress in the financial sector translated into weakness in the Buffalo office market in 1990. The savings and loan debacle claimed Empire of America as a casualty and the Resolution Trust Corporation is selling off parts of that financial institution. Additionally, Goldome Bank is reducing its space requirements and cutting staff. The sluggish economy contributed to negative net absorption in 1990. A two to three year supply of space is implied by the 18.4 percent overall vacancy rate.

1991 Forecast

Buffalo's office market is expected to remain soft in 1991. The Citicom building will not complete the shell of its second 168,200 sq. ft. office tower until tenants are found. While face rates on rents are expected to be stable, both the vacancy rate and landlord concessions are expected to rise in 1991. Based on the year-end announcement that three federal agencies are looking for 95,000 sq. ft. of office space and the current slowdown in developer activity, the Buffalo market should regain strength by the mid-1990s. Buffalo is the second largest port of entry for U.S.-Canadian trade, and the Free Trade Agreement with Canada will steadily bring more business to Buffalo.



CHARLESTON, SOUTH CAROLINA: Office

Charleston, South Carolina

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	550,000	1,300,000	250,000	400,000
Vacant	100,000	125,000	35,000	35,000
Vacancy Rate	18.2%	9.6%	14.0%	8.8%
Vacant Sublease	20,000	n/a	5,000	n/a
Under Construction	0	40,000	0	0
Substantial Rehab	0	0	0	25,000
Net Absorption	75,000	35,000	20,000	20,000
Rental Rates ($/sf)				
Lowest	10.00	8.00	6.00	5.00
Highest	22.00	15.00	12.00	10.00
Weighted Average	16.00	13.00	10.00	7.50
Sales Prices ($/sf)				
Lowest	n/a	n/a	40.00	30.00
Highest	n/a	n/a	70.00	55.00
Weighted Average	n/a	n/a	55.00	40.00

Utility Rates: CBD $1.50 per sf
Outside CBD $1.50 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 300 sf
Outside CBD - 1 per 300 sf

Standard Work Letter: $9.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 10.00%

Cumulative Discount Rate: 5-10%

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Interior Improvements

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Finance/Banking

Minor Activity
- Fortune 500 Firms
- Insurance
- Business Services
- Engineering/Architecture
- Government

OUTLOOK

Absorption		Same
Construction		Down
Vacancies		Up
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	Same
	Outside CBD	Same
	Class B CBD	Same
	Outside CBD	Same

DEMOGRAPHICS

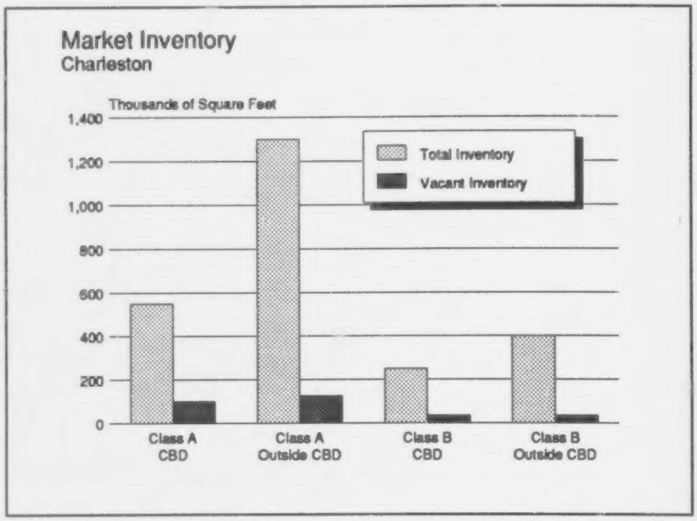
		Rank
Population:	514,320	82
Population Growth Rate:	1.80%	
Unemployment Rate:	3.80%	
Med. Household Income:	$27,628	81
Cost of Living Index:	101.3	38

1990 REVIEW

The Charleston office market had a flat year in 1990. This small market contains only 2.5 million sq. ft. of office space with an overall vacancy rate of 11.8 percent. This rate shows little change from last year's 11.2 percent. Net absorption levels remained consistent at 150,000 sq. ft., and rents continued to be at economical levels with concession packages offering discounts between five and 10 percent. Only 40,000 sq. ft. of new space was under construction in 1990 which should serve to tighten market conditions in the coming year.

1991 FORECAST

The effects of Hurricane Hugo seem to be behind the Charleston office market as a stable year is projected for 1991. Buildings under construction in 1990 were minimal, however, plans for speculative development to get underway in 1991 include approximately 350,000 sq. ft. of space in four buildings. The demand for office space should remain on levels consistent with 1990. Relocation into Charleston is a less typical source of demand than expansions of existing tenants. Leasing activity will be dominated by legal, accounting, and financal firms.



CHARLOTTE, NORTH CAROLINA: OFFICE

Charlotte, North Carolina

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	4,687,584	7,280,000	3,055,300	3,460,000
Vacant	1,200,000	750,000	700,000	1,662,000
Vacancy Rate	25.6%	10.3%	22.9%	48.0%
Vacant Sublease	60,000	15,000	0	125,000
Under Construction	1,668,000	479,000	0	0
Substantial Rehab	0	0	200,000	250,000
Net Absorption	600,000	350,000	100,000	250,000
Rental Rates ($/sf)				
Lowest	17.50	16.50	14.00	13.25
Highest	22.50	19.50	16.50	16.00
Weighted Average	18.75	17.00	14.50	13.75
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD n/a
Outside CBD n/a
Not Separately Metered

Parking Ratio: CBD - 1 per 1,000 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $13.50 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year and Stop - $4.50 - $5.50

Rate of Return: n/a

Cumulative Discount Rate: 20-25%

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Equity

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Engineering/Architecture
- Chemicals

Minor Activity
- Fortune 500 Firms
- Business Services
- Finance/Banking
- Government
- Energy

OUTLOOK

Absorption		Same
Construction		Down 50%
Vacancies		Up 10%
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	Same
	Outside CBD	Same
	Class B CBD	Same
	Outside CBD	Same

DEMOGRAPHICS

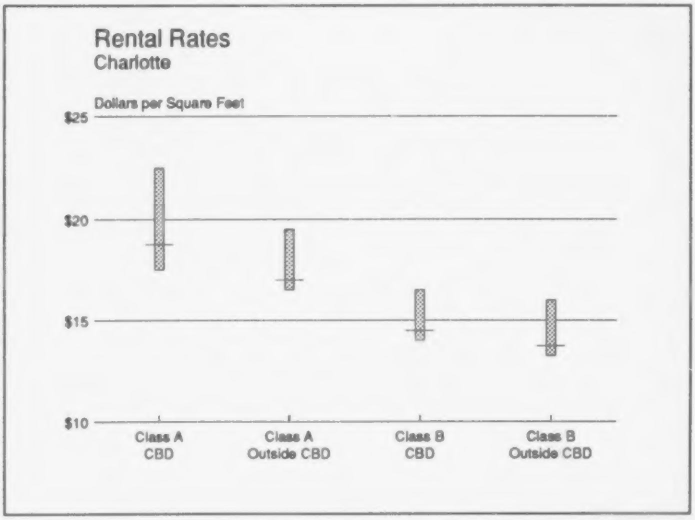
		Rank
Population:	1,126,778	42
Population Growth Rate:	1.49%	
Unemployment Rate:	3.00%	
Med. Household Income:	$32,084	37
Cost of Living Index:	99.8	44

1990 REVIEW

Charlotte's booming growth began to show signs of moderation in 1990. As merger and acquisition activity slowed down at Charlotte's large banking institutions (NCNB, First Union, and Wachovia) expansion plans were postponed. The textile industry continues to face global competition. This slow down has not created the absorption crisis that many predicted. Instead, absorption levels doubled to 1.3 million sq. ft. This pick-up in demand, however, was not enough to keep pace with the significant amounts of new office space that came on line in 1990. As a result, overall vacancies climbed to 23.3 percent. A large weakness exists in the Class "B" market where vacancies register over 35 percent. This may have been triggered by the tendency towards move-ups to take advantage of the favorable lease rates in Class "A" suburban parks.

1991 FORECAST

The prospects for an improving market are very good, though patience may be called for. Corporate and regional office relocations should continue strengthening demand. Before 1991 is over, however, vacancies may rise again as the market continues to adjust to new construction. Rental rates are expected to remain flat and concession packages will continue to offer discounts of between 20 and 25 percent.



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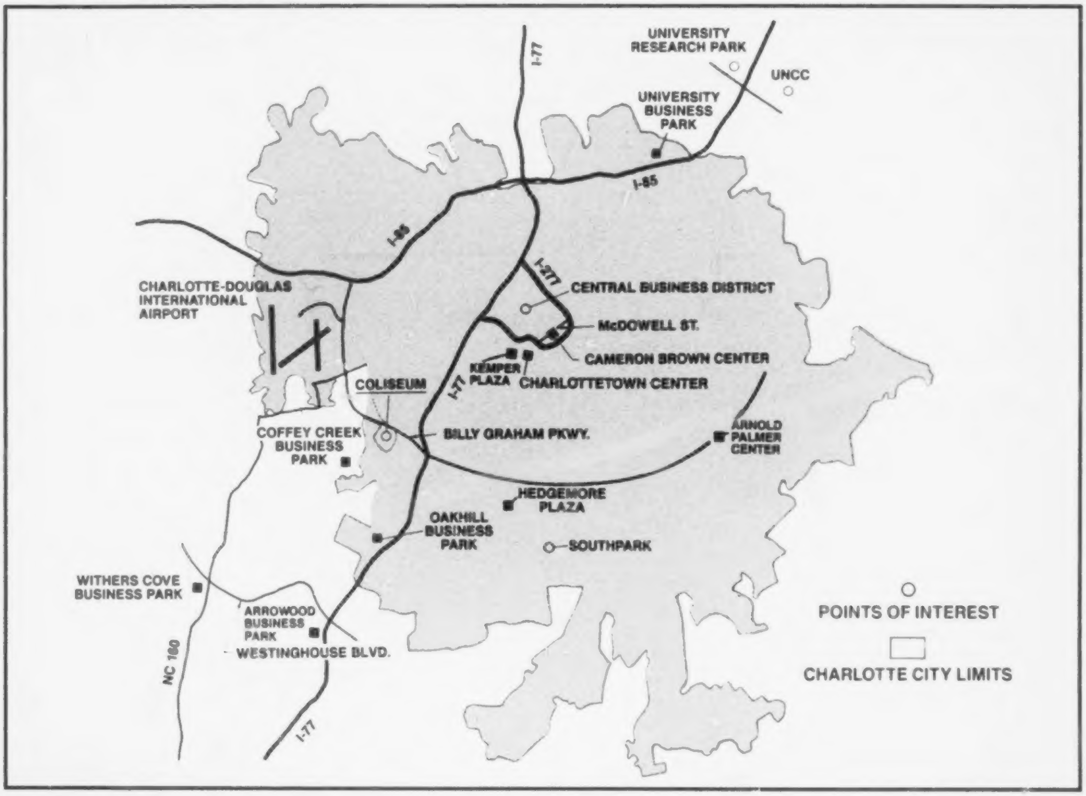

I-77
UNIVERSITY RESEARCH PARK
UNCC
UNIVERSITY BUSINESS PARK
I-85
I-85
I-277
CHARLOTTE-DOUGLAS INTERNATIONAL AIRPORT
CENTRAL BUSINESS DISTRICT
McDOWELL ST.
CAMERON BROWN CENTER
KEMPER PLAZA
CHARLOTTETOWN CENTER
COLISEUM
I-77
COFFEY CREEK BUSINESS PARK
BILLY GRAHAM PKWY.
ARNOLD PALMER CENTER
HEDGEMORE PLAZA
OAKHILL BUSINESS PARK
SOUTHPARK
WITHERS COVE BUSINESS PARK
ARROWOOD BUSINESS PARK
WESTINGHOUSE BLVD.
NC 160
I-77
○ POINTS OF INTEREST
▭ CHARLOTTE CITY LIMITS

CAMERON BROWN CENTER *An urban office park five blocks from the financial center with 800 free parking spaces and a 600 room hotel on site.*

KEMPER PLAZA *Two buildings totaling 33,000 SF and 44,000 SF each, excellent access and visability to I-277, free parking and building signage available. Competitive midtown rates.*

CHARLOTTETOWN CENTER *Located seconds from I-277, this 4-story office building offers free on site parking with Uptown convenience at Midtown prices. Ideal for small tenants.*

HEDGEMORE PLAZA *Located at the crossroads of the Park Road and Southpark corridors, this 8-story office building is convenient to both retail and residential properties, yet is only 4 miles from the CBD and 7 miles from Charlotte International Airport.*

COFFEY CREEK BUSINESS PARK *Located in the popular Airport/Coliseum Area, Coffey Creek offers high-quality office/service/distribution space from 750 square feet up.*

OAKHILL BUSINESS PARK *Charlotte's finest environmentally planned business community overlooking I-77 offering facilities for office, display and distribution for regional, national and international firms.*

WITHERS COVE BUSINESS PARK *A 250 acre planned business/research/light industrial community located on Westinghouse Blvd. at Steele Creek Rd. just 3.3 miles west of I-77 and 5 miles from Charlotte-Douglas International Airport.*

UNIVERSITY BUSINESS PARK *Overlooking Interstate 85, this is the closest industrially zoned property to the University Research Park. An excellent location for offices, distribution and light assembly.*

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CHATTANOOGA, TENNESSEE: Office

Chattanooga, Tennessee

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	1,058,000	460,000	1,000,000	1,100,000
Vacant	100,000	46,000	240,000	220,000
Vacancy Rate	9.5%	10.0%	24.0%	20.0%
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	0	0	0	0
Substantial Rehab	50,000	0	0	0
Net Absorption	40,000	10,000	0	0
Rental Rates ($/sf)				
Lowest	13.50	10.00	5.00	5.00
Highest	17.00	13.00	7.50	6.00
Weighted Average	n/a	n/a	n/a	n/a
Sales Prices ($/sf)				
Lowest	n/a	60.00	40.00	35.00
Highest	n/a	60.00	40.00	35.00
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD n/a
Outside CBD n/a
Not Separately Metered

Parking Ratio: CBD - n/a
Outside CBD - 1 per 750 sf

Standard Work Letter: $75.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 11.00%

Cumulative Discount Rate: 5-10%

Landlord Concessions
- Interior Improvements

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance

Minor Activity
- Business Services
- Sales
- Engineering/Architecture
- Government

OUTLOOK

Absorption			Down 10%
Construction			Same
Vacancies			Up 10%
Rental Rates			Same
Landlord Concessions			Same
Sales Prices	Class A	CBD	Same
		Outside CBD	Down 10%
	Class B	CBD	Down 10%
		Outside CBD	Down 10%

DEMOGRAPHICS

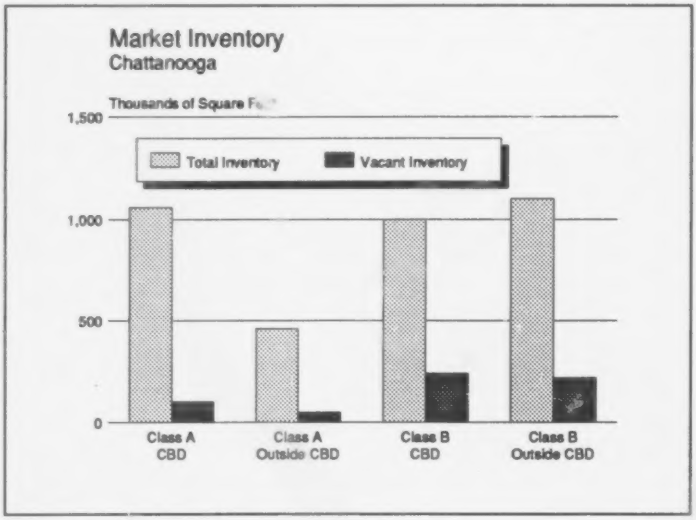
		Rank
Population:	427,108	90
Population Growth Rate:	0.01%	
Unemployment Rate:	4.90%	
Med. Household Income:	$26,615	86
Cost of Living Index:	91.3	73

1990 REVIEW

The small Chattanooga office market contains only 3.6 million sq. ft. of office space. In 1990 a modest improvement dropped overall vacancy rates from 17.5 to 16.7 percent. Net absorption levels were only 50,000 sq. ft. The strength of this market lies in Class "A" buildings where vacancies are at 9.6 percent versus the Class "B" stock where vacancies exceed 20 percent. Hamilton Place Mall continued to dominate the retail market in 1990 and acted as a magnet for the development of suburban office space. SIOR's observer indicates that the suburban markets are approaching the overbuilt stage. Since there were no office buildings under construction in 1990 this condition should be kept in check.

1991 FORECAST

Even with no new construction expected to come on line in 1991, the outlook for Chattanooga's office market is for rising vacancy rates. This is due to the anticipation of minimal net absorption, most likely the result of a lull in the Mid-South region. Rental rates should remain flat, with more evidence of concession packages that offer cumulative discounts of five to 10 percent.



Chicago, Illinois: Office

Market Data

Inventory (sf)	Class A CBD	Class A Outside CBD	Class B CBD	Class B Outside CBD
Total	46,508,880	34,304,218	44,527,279	22,447,242
Vacant	8,374,556	7,214,599	6,761,143	4,534,317
Vacancy Rate	18.0%	21.0%	15.2%	20.2%
Vacant Sublease	1,845,918	1,393,894	-	-
Under Construction	5,261,000	1,981,758	-	-
Substantial Rehab	-	-	456,000	-
Net Absorption	1,065,069	3,112,302	-	-
Rental Rates ($/sf)				
Lowest	28.00	18.60	20.00	13.00
Highest	46.00	32.55	30.00	24.00
Weighted Average	34.32	25.02	24.61	18.30
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $1.25 per sf
Outside CBD $1.00 per sf
Separately Metered

Parking Ratio: CBD - n/a
Outside CBD - 1 per 260 sf

Standard Work Letter: $18.50 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year and Stop - Varies

Rate of Return: 9.00%

Cumulative Discount Rate: 25-35%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Club Memberships

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Health Related
- Telecommunications

Minor Activity
- Fortune 500 Firms
- Finance/Banking
- Engineering/Architecture
- Government & Energy

Outlook

Absorption		Same
Construction		Down 50%
Vacancies		Up 5%
Rental Rates		Down 5%
Landlord Concessions		Same
Sales Prices	Class A CBD	n/a
	Class A Outside CBD	n/a
	Class B CBD	n/a
	Class B Outside CBD	n/a

Demographics

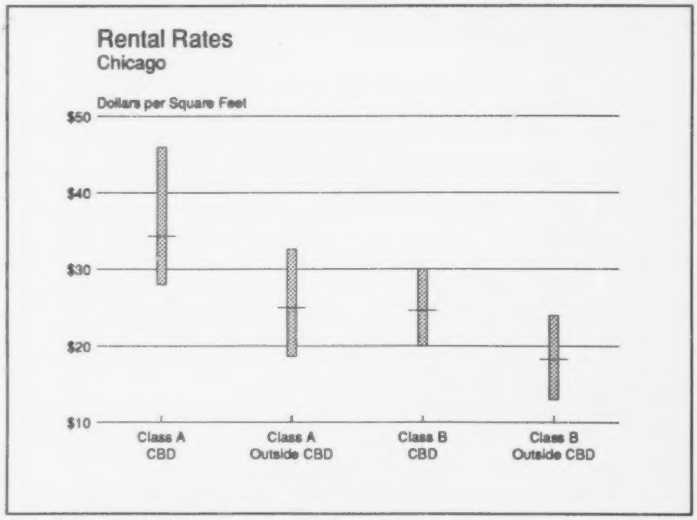
		Rank
Population:	5,920,735	3
Population Growth Rate:	-0.23%	
Unemployment Rate:	6.50%	
Med. Household Income:	$34,086	25
Cost of Living Index:	n/a	n/a

1990 Review

The Chicago metro area office market contains over 147 million sq. ft. of office space. Absorption levels totalled 4.2 million sq. ft., while new construction exceeded 7.2 million sq. ft. As a result, the overall vacancy rate rose over two percentage points to 18.2 percent. Rental rates remained flat in 1990 and concession packages offered discounts between 15 and 30 percent. Suburban market conditions are still weaker than the CBD, with vacancies over 20 percent. The Chicago suburbs have seen a large amount of recent construction as the completion of the North-South Tollway (I-355) has provided access to previously dormant Will County.

1991 Forecast

The outlook for the Chicago office market in 1991 is mixed. Construction levels are expected to be down considerably as lenders require significant levels of preleasing before they provide a commitment. Vacancies, however, are forecast to still move further upward before a recovery occurs. The projection that rental rates will decline should provide more favorable leasing packages. The suburban Golden Corridor is expected to attract between 7,000 and 8,000 new jobs due to the arrival of Sears Roebuck's merchandise group and Ameritech. Also having an impact on the downtown office market is the growing turf wars between the city and the suburbs which have been exacerbated by the recent announcement that Sears Roebuck will relocate from its downtown tower to the suburbs.



CINCINNATI, OHIO: OFFICE

Cincinnati/Northern Kentucky

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	6,385,000	5,410,905	3,200,000	3,840,075
Vacant	185,000	730,400	1,298,675	785,000
Vacancy Rate	2.9%	13.5%	40.6%	20.4%
Vacant Sublease	89,000	68,000	n/a	n/a
Under Construction	2,800,000	1,200,000	0	42,000
Substantial Rehab	100,000	n/a	75,000	n/a
Net Absorption	225,000	150,000	135,000	85,000
Rental Rates ($/sf)				
Lowest	17.50	14.50	12.50	8.00
Highest	28.00	21.00	17.00	12.00
Weighted Average	22.00	18.00	14.50	10.00
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $1.35 per sf
Outside CBD $1.35 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 1,500 sf
Outside CBD - 1 per 1,000 sf

Standard Work Letter: $19.00 per sf

Operating Cost Escalation: Stop - $4.50 - $5.00

Rate of Return: 9.50%

Cumulative Discount Rate: 17.5%

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Legal/Accounting

Minor Activity
- Fortune 500 Firms
- Insurance
- Business Services
- Finance/Banking
- Government

OUTLOOK

Absorption		Same
Construction		Up 20%
Vacancies		Down 3%
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	Up 10%
	Outside CBD	Up 15%
	Class B CBD	Up 10%
	Outside CBD	Up 15%

DEMOGRAPHICS

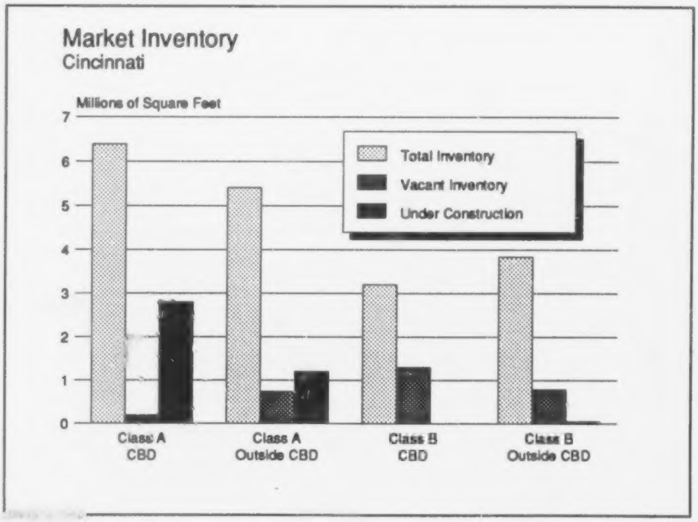
		Rank
Population:	1,422,649	33
Population Growth Rate:	0.15%	
Unemployment Rate:	3.80%	
Med. Household Income:	$30,471	57
Cost of Living Index:	104.9	23

1990 REVIEW

In recent years, Chiquita, United Brands, and Penn Central relocated their headquarters to downtown Cincinnati, while James River Paper and Heinz Pet Foods have settled in the suburbs. These move-ins have prompted the office space building boom the region is now experiencing. The Class "A" downtown market is extremely tight with a vacancy rate of 2.9 percent, a sharp contrast with the weakness of the downtown Class "B" buildings. With over four million sq. ft. of office space under construction it is expected that the Class "A" market downtown will become more flexible. Suburban markets are extremely soft, with landlords offering lease concessions amounting to 15 to 20 percent.

1991 FORECAST

The outlook for 1991 forecasts a strong year for the Cincinnati office market. The construction levels are expected to pick up moderately. Law and accounting firms should once again serve as the primary sources of leasing activity. A potential weakness may develop as further contractions in manufacturing occur, especially due to defense cutbacks. General Electric recently announced 750 layoffs on the military side of its business. Look for the service sector to continue to show strong growth.



Cleveland, Ohio: Office

Cleveland, Ohio

Market Data

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	9,995,834	9,947,711	10,065,736	2,608,542
Vacant	1,243,193	2,000,663	1,711,122	662,296
Vacancy Rate	12.4%	20.1%	17.0%	25.4%
Vacant Sublease	60,073	118,632	262,006	56,435
Under Construction	2,253,572	228,797	0	0
Substantial Rehab	n/a	0	0	0
Net Absorption	57,292	380,050	-175,016	-15,402
Rental Rates ($/sf)				
Lowest	17.50	14.50	13.50	12.00
Highest	26.00	22.00	16.00	14.00
Weighted Average	20.00	18.00	14.75	13.00
Sales Prices ($/sf)				
Lowest	150.00	95.00	100.00	75.00
Highest	245.00	165.00	190.00	140.00
Weighted Average	185.00	125.00	135.00	100.00

Utility Rates: CBD $1.15 per sf
Outside CBD $0.95 per sf
Separately Metered

Parking Ratio: CBD - 1 per 1,000 sf
Outside CBD - 1 per 200 sf

Standard Work Letter: $25.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: n/a

Cumulative Discount Rate: 20%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Business Services

Minor Activity
- Fortune 500 Firms
- Engineering/Architecture
- Government

1990 Review

Cleveland's revival faces its first test of national recession. Manufacturing, especially the struggling auto and defense sectors, and local banks are slashing jobs in an effort to control costs. Hopes that Cleveland's past experience with hard times would keep the construction boom within bounds proved overly optimistic. The overall vacancy rate is up over four percentage points to 17.2 percent and the once tight Class "A" market has seen vacancies jump considerably to 16.3 percent. SIOR's observers point out that the demand for office space declined in 1990 in large part due to tenant perception that their negotiating position will improve in 1991. The amount of sublease space continues to indicate a weakness as it is 28 percent greater than last year. Rents in 1990 were either flat or down, with the largest decline occurring in the downtown Class "A" space.

1991 Forecast

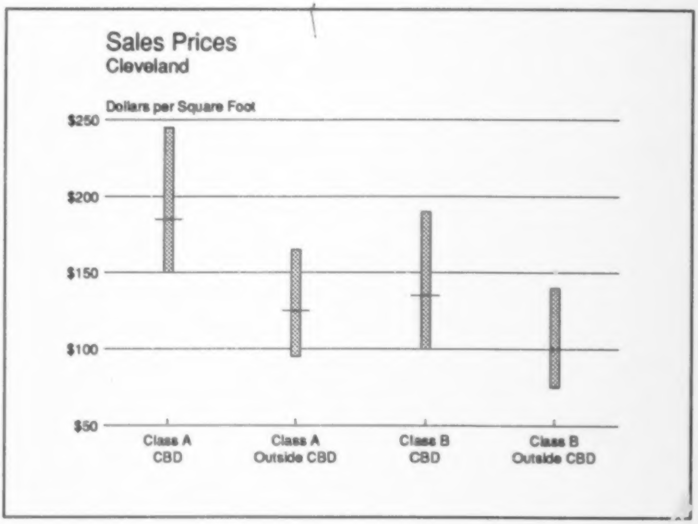
The outlook for 1991 does not anticipate much change from the previous year. While there will be no speculative construction coming on line this year, providing the market time to catch up with supply, absorption is not expected to pick up. This slow down in demand is likely to push vacancy rates up about two percentage points resulting in more liberal concession packages.

Outlook

Absorption			Same
Construction			Down
Vacancies			Up 2%
Rental Rates			Same
Landlord Concessions			Up 2%
Sales Prices	Class A	CBD	Same
		Outside CBD	Same
	Class B	CBD	Same
		Outside CBD	Same

Demographics

		Rank
Population:	1,892,916	25
Population Growth Rate:	-0.03%	
Unemployment Rate:	4.30%	
Med. Household Income:	$30,505	56
Cost of Living Index:	106.6	19



Columbia, South Carolina: Office

Columbia, South Carolina

Market Data

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	2,600,000	2,100,000	1,700,000	2,200,000
Vacant	490,000	378,000	374,000	660,000
Vacancy Rate	18.8%	18.0%	22.0%	30.0%
Vacant Sublease	20,000	15,000	10,000	5,000
Under Construction	160,000	200,000	50,000	101,000
Substantial Rehab	50,000	20,000	25,000	10,000
Net Absorption	150,000	150,000	90,000	35,000
Rental Rates ($/sf)				
Lowest	12.00	12.00	10.50	8.50
Highest	18.50	14.00	14.00	12.00
Weighted Average	16.00	13.00	12.50	10.00
Sales Prices ($/sf)				
Lowest	65.00	55.00	45.00	30.00
Highest	95.00	75.00	60.00	55.00
Weighted Average	80.00	65.00	55.00	45.00

Utility Rates: CBD $2.80 per sf
Outside CBD $2.68 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 700 sf
Outside CBD - 1 per 225 sf

Standard Work Letter: $18.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year and Stop - $4.25

Rate of Return: 10.50%

Cumulative Discount Rate: 22%

Landlord Concessions
- Parking
- Rental Abatement
- Moving Allowance
- Interior Improvements
- Telephone

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Business Services
- Finance/Banking
- Engineering/Architecture

Minor Activity
- Insurance
- Sales
- Government

Outlook

Absorption		Same
Construction		Down 20%
Vacancies		Up 10%
Rental Rates		Down 15%
Landlord Concessions		Up 10%
Sales Prices	Class A CBD	Down 20%
	Outside CBD	Down 25%
	Class B CBD	Down 20%
	Outside CBD	Down 25%

Demographics

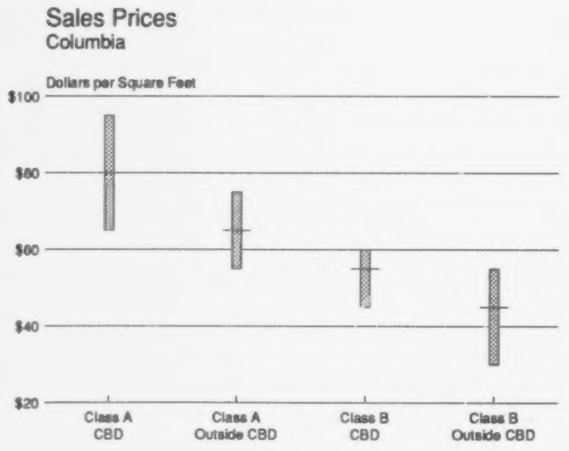
		Rank
Population:	464,312	85
Population Growth Rate:	1.25%	
Unemployment Rate:	4.30%	
Med. Household Income:	$30,363	58
Cost of Living Index:	101.2	39

1990 Review

South Carolina's state capital, Columbia, employs 27 percent of its workforce in the state and city governments. Business services, especially those legal and financial functions closely associated with government, are the mainstays of local office demand. The Columbia market took another small step backwards in 1990 as the vacancy rate rose from 20 to 22.1 percent. Absorption levels were up to 425,000 sq. ft., a sharp improvement over 1989, but, not enough to keep pace with new supply. Absorption in the Columbia office market tends to be the result of internal growth and expansion rather than external moves. Rental rates, while inexpensive throughout the area, are strongest for Class "A" space. Some Class "B" space outside the CBD is not rentable at any rate for the foreseeable future.

1991 Forecast

SIOR's local reporter points to the ebbing of construction as the most favorable element in the 1991 outlook. Conditions still indicate a strong tenants' market, however, as more good listings are available than at any time in the recent past. Rents are anticipated to decline and concession packages grow more liberal. Lateral tenant movement will be prevalent in 1991, with absorption levels not expected to increase over 1990.



Columbus, Ohio: Office

Columbus, Ohio

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	4,500,000	6,100,000	3,400,000	5,000,000
Vacant	575,000	799,000	417,328	575,000
Vacancy Rate	12.8%	13.1%	12.3%	11.5%
Vacant Sublease	20,000	65,000	n/a	n/a
Under Construction	0	0	0	0
Substantial Rehab	130,000	0	0	0
Net Absorption	33,733	399,000	-91,079	n/a
Rental Rates ($/sf)				
Lowest	14.55	13.50	11.00	9.50
Highest	26.50	20.50	15.00	14.50
Weighted Average	n/a	n/a	n/a	n/a
Sales Prices ($/sf)				
Lowest	n/a	n/a	30.00	n/a
Highest	160.00	n/a	70.00	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $1.65 per sf
Outside CBD $1.50 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 1,000 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $17.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Stop - Triple net

Rate of Return: n/a

Cumulative Discount Rate: 28%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Medical
- Telecommunications

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Business Services
- Sales

OUTLOOK

Absorption		Same
Construction		Down
Vacancies		Down 5%
Rental Rates		Same
Landlord Concessions		Down 8%
Sales	Class A CBD	Down
Prices	Outside CBD	Down
	Class B CBD	Down
	Outside CBD	Down

DEMOGRAPHICS

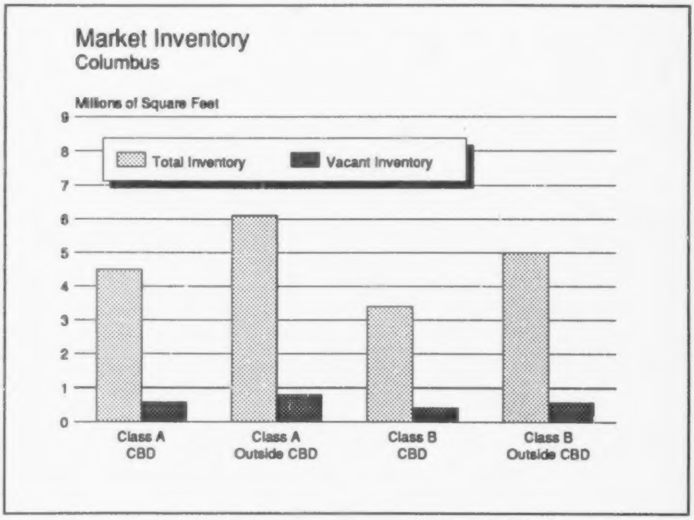
		Rank
Population:	1,360,146	37
Population Growth Rate:	0.90%	
Unemployment Rate:	3.80%	
Med. Household Income:	$29,550	68
Cost of Living Index:	106.3	20

1990 REVIEW

Columbus continues to be one of the fastest growing metropolitan areas in the Midwest. This is largely due to its role as the capital of Ohio providing a large institutional employment base and its location in the center of the state allowing Columbus to develop as a major regional hub. In 1990 the Columbus office market experienced its first year in almost a decade without any speculative construction. This, along with a net absorption level of 341,654 sq. ft., contributed to the vacancy rate dropping almost five percentage points to 10.9 percent. Major insurance firms did not expand as significantly this year as they had in the past due to consolidations and downsizing. SIOR's observers indicate that employment growth is about 85 percent from local companies and 15 percent from relocations from outside the market.

1991 FORECAST

While the growth of Columbus' economy is expected to continue, it may slow somewhat as the deterioration of the regional economy weakens service-producing sectors. Speculative development will again be virtually non-existent especially since the stringent lending climate requires significant preleasing. Effective rental rates, therefore, should rise slightly in 1991. Move up activity, in terms of users relocating to newer facilities, should be less prevalent in 1991 as lease rates begin to climb.



CONTRA COSTA, CALIFORNIA: Office

Contra Costa County (including Pleasanton)

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	4,686,187	14,855,286	-	-
Vacant	752,252	3,584,233	-	-
Vacancy Rate	16.1%	24.1%	-	-
Vacant Sublease	154,382	617,552	-	-
Under Construction	10,000	306,000	-	-
Substantial Rehab	-	-	-	-
Net Absorption	276,629	728,463	-	-
Rental Rates ($/sf)				
Lowest	17.40	13.50	15.00	10.60
Highest	25.00	19.80	18.00	15.00
Weighted Average	21.00	16.00	16.80	14.00
Sales Prices ($/sf)				
Lowest	150.00	95.00	120.00	75.00
Highest	235.00	140.00	160.00	120.00
Weighted Average	190.00	110.00	140.00	100.00

Utility Rates: CBD $1.50-1.75 per sf
Outside CBD $1.50-1.75 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 300 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $25.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 8.70%

Cumulative Discount Rate: 15%

Landlord Concessions
- Parking
- Rental Abatement

Leasing Activity Profile

Major Activity
- Engineering/Architecture
- Medical

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Finance/Banking
- Government
- Energy

Outlook

Absorption		Down
Construction		Down
Vacancies		Down
Rental Rates		Up
Landlord Concessions		n/a
Sales Prices	Class A CBD	Down
	Outside CBD	Down
	Class B CBD	Down
	Outside CBD	Down

DEMOGRAPHICS

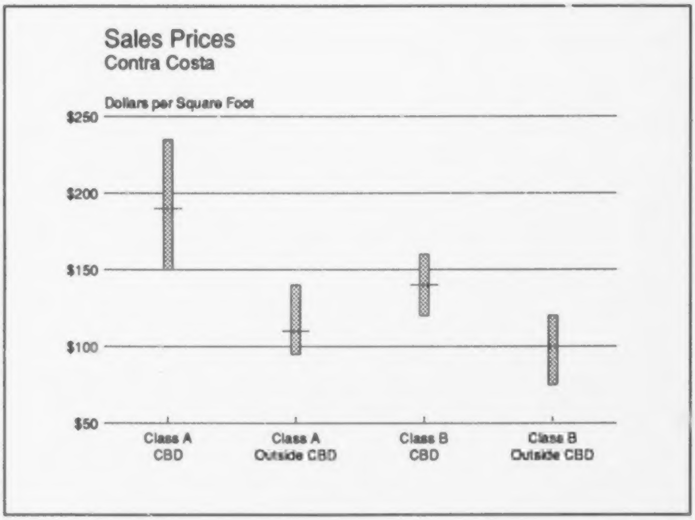
		Rank
Population:	n/a	n/a
Population Growth Rate:	n/a	
Unemployment Rate:	n/a	
Med. Household Income:	n/a	n/a
Cost of Living Index:	n/a	n/a

1990 REVIEW

The Contra Costa office market tightened further in 1990 as new speculative development was practically non-existent. The overall vacancy rate dropped to 22.2 percent and the office space outside the CBD showed significant improvement dropping four percentage points to 24.1 percent. The 20 million sq. ft. office market experienced robust growth over the past 10 years capturing firms fleeing the high costs and lack of buildable space in San Francisco. This spill-over effect diminished in 1990 and the one million sq. ft. of absorption was a decline from previous years.

1991 FORECAST

Contra Costa will improve further in 1991 as the no growth advocates continue to carry strength. Look for development to occur only when stringent pre-leasing requirements have been met. The tightening of the market will result in rental rates increasing a notch and concession packages loosening. SIOR's observer expects that the Contra Costa area will remain a principal office center, albeit, with a slower growth rate than experienced over the past 10 years.



CORPUS CHRISTI, TEXAS: OFFICE

Corpus Christi, Texas

MARKET DATA

Inventory (sf)	Class A CBD	Class A Outside CBD	Class B CBD	Class B Outside CBD
Total	890,000	200,000	2,449,005	800,000
Vacant	380,200	10,000	150,000	165,000
Vacancy Rate	42.7%	5.0%	6.1%	20.6%
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	0	0	0	0
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	17,800	16,000	48,980	32,000
Rental Rates ($/sf)				
Lowest	12.00	10.20	9.00	8.40
Highest	15.60	13.00	13.80	10.80
Weighted Average	13.80	11.04	10.80	9.60
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	19.40
Highest	n/a	n/a	n/a	20.31
Weighted Average	n/a	63.25	n/a	20.00

Utility Rates: CBD $1.80 per sf
Outside CBD $1.56 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 400 sf
Outside CBD - 1 per 200 sf

Standard Work Letter: $13.50 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 13.50%

Cumulative Discount Rate: 8%

Landlord Concessions
- Interior Improvements

Leasing Activity Profile

Major Activity
- Government

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Engineering/Architecture

OUTLOOK

Absorption			Up 5%
Construction			Same
Vacancies			Down 5%
Rental Rates			Up 3-5%
Landlord Concessions			Same
Sales Prices	Class A	CBD	Same
		Outside CBD	Same
	Class B	CBD	Same
		Outside CBD	Same

DEMOGRAPHICS

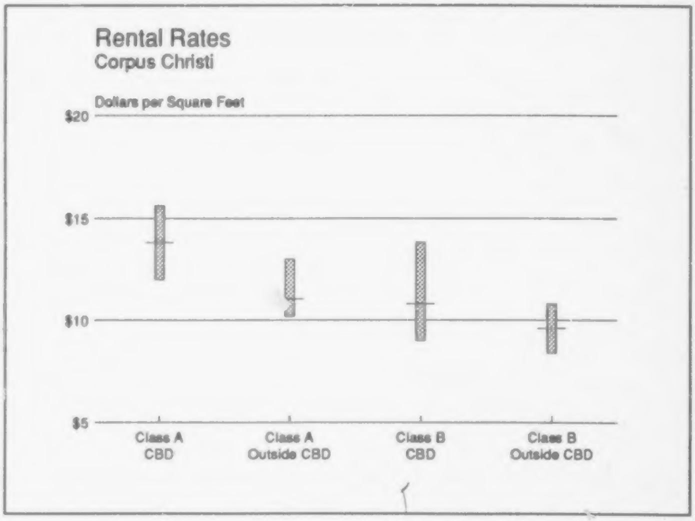
		Rank
Population:	373,007	98
Population Growth Rate:	1.35%	
Unemployment Rate:	7.20%	10
Med. Household Income:	$23,316	6
Cost of Living Index:	96.4	58

1990 REVIEW

The Corpus Christi office market continued to grapple with the abundant vacant space left by the oil companies mid-Eighties collapse. The overall vacancy rate dropped significantly from 30.3 percent in 1989 to 16.3 percent in 1990. The most significant improvements occurred in the suburban Class "A" sector and the downtown Class "B" sector. Class "A" space in the CBD, however, is dragging this market down with a vacancy rate of 42.7 percent. Face rents began to edge up slightly in all sectors except for downtown Class "A" space where the weighted average dropped over two dollars per sq. ft. Concession packages started to ease, as cumulative discounts of eight percent represented a strengthened hand for landlords.

1991 FORECAST

Growing international trade and tourism is anticipated to help move the Corpus Christi economy away from its ties to the volatile oil industry. This stabilizing factor along with the lack of new office construction bodes well for the Corpus Christi office market. Absorption levels should pick up as the Texas economy outperforms the U.S. in 1991. The likely tightening of the market should result in modestly higher rental rates.



DALLAS, TEXAS: OFFICE

Dallas, Texas

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	13,093,000	46,500,000	16,631,000	40,756,000
Vacant	1,868,000	11,963,000	5,209,000	11,139,000
Vacancy Rate	14.3%	25.7%	31.3%	27.3%
Vacant Sublease	0	0	0	0
Under Construction	0	0	0	0
Substantial Rehab	0	0	0	0
Net Absorption	1,459,000	1,476,000	-1,660,000	362,000
Rental Rates ($/sf)				
Lowest	15.00	12.50	11.00	8.50
Highest	22.00	16.50	15.00	12.00
Weighted Average	18.00	14.00	12.50	9.50
Sales Prices ($/sf)				
Lowest	85.00	62.00	40.00	31.00
Highest	160.00	84.00	85.00	45.00
Weighted Average	120.00	73.00	62.50	38.00

Utility Rates: CBD $1.25 per sf
Outside CBD $1.25 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 2,000 sf
Outside CBD - 1 per 333 sf

Standard Work Letter: $15.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: n/a

Cumulative Discount Rate: n/a

Landlord Concessions
- Parking
- Moving Allowance
- Interior Improvements
- Club Memberships
- Architectural Fees

Leasing Activity Profile

Major Activity
- Insurance
- Energy

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Sales
- Government
- Computer

OUTLOOK

Absorption		Up 10%
Construction		Same
Vacancies		Down 5%
Rental Rates		Up 5-10%
Landlord Concessions		n/a
Sales Prices	Class A CBD	Same
	Outside CBD	Up 20%
	Class B CBD	Same
	Outside CBD	Up 5-10%

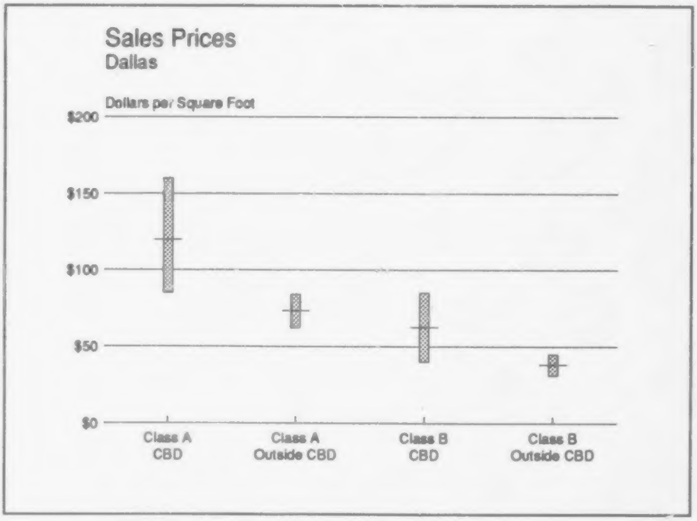
DEMOGRAPHICS		Rank
Population:	2,708,619	11
Population Growth Rate:	3.30%	
Unemployment Rate:	5.30%	
Med. Household Income:	$32,745	33
Cost of Living Index:	104.3	24

1990 REVIEW

The Dallas office market was handicapped by its dual linkage to petroleum and finance in 1990. The troubled Texas financial economy contributed to a slowdown in the finance and service sectors. This lower economic growth meant significantly lower office absorption. Net absorption levels fell from almost four million sq. ft. in 1989 to 1.6 million sq. ft. in 1990. With no speculative development, however, the overall vacancy edged downward to 25.8%. This still leaves over 30 million sq. ft. of empty office space.

1991 FORECAST

1990 may prove to be among the weakest years since 1986. The outlook nevertheless is for a strengthening office market in Dallas. Dallas' high office vacancy rates will offer a great cost advantage for corporate facilities. Much of what is expected to bolster growth in Dallas, therefore, is future relocation plans. Dallas has already lured Exxon, GTE, MCI, J.C. Penney, EDS, Fujitsu, UPS, and Nissan. Sales activity is expected to be strong in 1991 as investors continue to take advantage of the favorable asking prices.



DAYTON, OHIO: Office

Dayton, Ohio

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	1,972,728	1,881,633	1,252,785	1,543,939
Vacant	486,620	300,702	341,102	241,581
Vacancy Rate	24.7%	16.0%	27.2%	15.6%
Vacant Sublease	40,000	0	0	0
Under Construction	0	74,000	0	0
Substantial Rehab	0	0	0	0
Net Absorption	n/a	n/a	n/a	n/a
Rental Rates ($/sf)				
Lowest	15.00	10.00	10.00	10.00
Highest	21.95	15.00	16.00	14.95
Weighted Average	17.86	13.58	11.05	11.08
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $1.85 per sf
Outside CBD $1.55 per sf
Not Separately Metered

Parking Ratio: CBD - n/a
Outside CBD - 1 per 200 sf

Standard Work Letter: $22.50 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: n/a

Cumulative Discount Rate: 15%

Landlord Concessions
- Rental Abatement
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Government

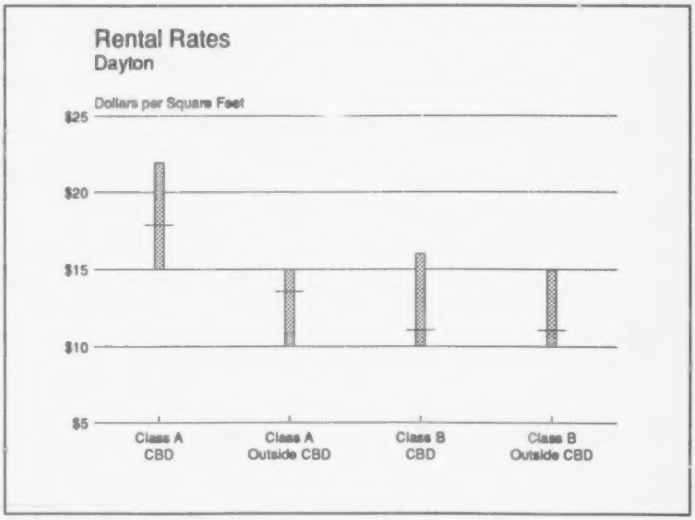
Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Finance/Banking
- Engineering/Architecture
- Energy

OUTLOOK

Absorption		Same
Construction		Down
Vacancies		Down
Rental Rates		Down
Landlord Concessions		Up
Sales Prices	Class A CBD	Down
	Outside CBD	Down
	Class B CBD	Down
	Outside CBD	Down

DEMOGRAPHICS

		Rank
Population:	964,115	52
Population Growth Rate:	0.23%	
Unemployment Rate:	4.60%	
Med. Household Income:	$29,663	67
Cost of Living Index:	101.7	35



1990 REVIEW

The inventory of office space in Dayton is evenly balanced between the CBD and suburbs. Occupancy is substantially stronger in the suburbs (84%) than in the central city (74%). This is partially due to the rent differentials and partially due to two new office towers that brought significant space on line in the CBD in 1989. Major leasing activity is generated by the government sector, primarily Wright-Patterson Air Force Base. Military contractors entering the market and the expansion of existing firms comprise the principal sources of demand. Construction activity is at a standstill, and SIOR's reporter observes transaction volumes unchanged from their uninspired 1989 levels.

1991 FORECAST

Only one 74,000 sq. ft. building will be coming on line in 1991 in the Wright-Patterson AFB area. This decrease in construction coupled with flat absorption is expected to push vacancies downward. Dayton's ties to both automobiles and defense, however, make it vulnerable during times of national recessions. Before this market correction occurs, therefore, rental rates could decrease and landlord concessions, currently in the 10 to 20 percent range, may edge upward.

DENVER, COLORADO: Office

Metropolitan Denver

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	12,286,152	6,784,284	9,350,158	26,845,274
Vacant	2,210,279	721,580	2,299,204	5,764,323
Vacancy Rate	18.0%	10.6%	24.6%	21.5%
Vacant Sublease	529,016	142,042	38,585	229,277
Under Construction	n/a	n/a	n/a	n/a
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	322,664	695,574	441,068	795,899
Rental Rates ($/sf)				
Lowest	12.00	12.00	8.00	8.00
Highest	14.50	16.50	11.00	10.50
Weighted Average	n/a	n/a	n/a	n/a
Sales Prices ($/sf)				
Lowest	85.00	85.00	60.00	55.00
Highest	125.00	98.00	85.00	65.00
Weighted Average	98.00	89.00	72.00	63.00

Utility Rates: CBD $1.85 per sf
Outside CBD $1.60 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 1,000 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $20.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Stop - CBD: $6.00; Outside CBD: $5.50

Rate of Return: n/a

Cumulative Discount Rate: 25%

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Telecommunications

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Finance/Banking
- Government
- Energy
- Mining and Exploration

Minor Activity
- Business Services
- Sales
- Engineering/Architecture

OUTLOOK

Absorption			Up 15%
Construction			Same
Vacancies			Down 2%
Rental Rates			Same
Landlord Concessions			Same
Sales	Class A	CBD	Up 10%
Prices		Outside CBD	Up 10%
	Class B	CBD	Up 7%
		Outside CBD	Up 9%

DEMOGRAPHICS

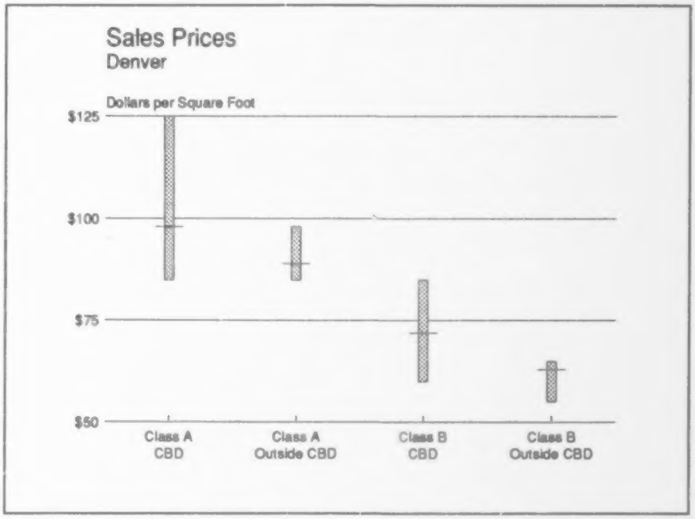
		Rank
Population:	1,784,146	27
Population Growth Rate:	2.25%	
Unemployment Rate:	3.70%	
Med. Household Income:	$33,282	29
Cost of Living Index:	101.5	36

1990 REVIEW

The Denver office market has seen a drop of almost five percent in its overall vacancy rate over the last year. Though still seriously out of balance, the market has shown significant improvement from the days of "see-through" towers. Absorption picked up considerably in the past year, tallying almost 2.3 million sq. ft. of leased space. The overall vacancy rate stands at 19.9 percent (21.6 percent if vacant sublease space is included). These rates are high, but compared to last year's overall rate of 24.6 percent or 27.8 percent including sublease space they are good news. Denver's office rents are among the lowest in the nation and concession packages are generous.

1991 FORECAST

With no significant new supply coming on line before 1993, the Denver office market should continue to improve. SIOR's reporter anticipates absorption to pick up by 15 percent, spurred by corporate migration into the Mile High City. Vacancies should drop at least another two percentage points. Rental rates and landlord concessions will still be generous, showing little change from last year. Sales prices are expected to increase, but they still offer real bargains.



DES MOINES, IOWA: OFFICE

Des Moines, Iowa

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	1,950,000	1,700,000	1,350,000	945,000
Vacant	380,000	145,000	175,000	170,000
Vacancy Rate	19.5%	8.5%	13.0%	18.0%
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	0	120,000	0	0
Substantial Rehab	0	0	0	0
Net Absorption	50,000	350,000	n/a	n/a
Rental Rates ($/sf)				
Lowest	16.00	15.00	12.00	10.00
Highest	22.00	17.00	14.00	14.00
Weighted Average	19.00	16.00	13.00	12.00
Sales Prices ($/sf)				
Lowest	60.00	60.00	40.00	40.00
Highest	100.00	90.00	60.00	60.00
Weighted Average	80.00	75.00	50.00	50.00

Utility Rates: CBD $1.50 per sf
Outside CBD $1.50 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 2,000 sf
Outside CBD - 1 per 200 sf

Standard Work Letter: $15.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 11.00%

Cumulative Discount Rate: 5%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Interior Improvements

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance

Minor Activity
- Fortune 500 Firms
- Business Services
- Sales
- Finance/Banking
- Engineering/Architecture
- Government
- Energy

OUTLOOK

Absorption		Down 5%
Construction		Same
Vacancies		Same
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	Same
	Outside CBD	Same
	Class B CBD	Same
	Outside CBD	Same

DEMOGRAPHICS

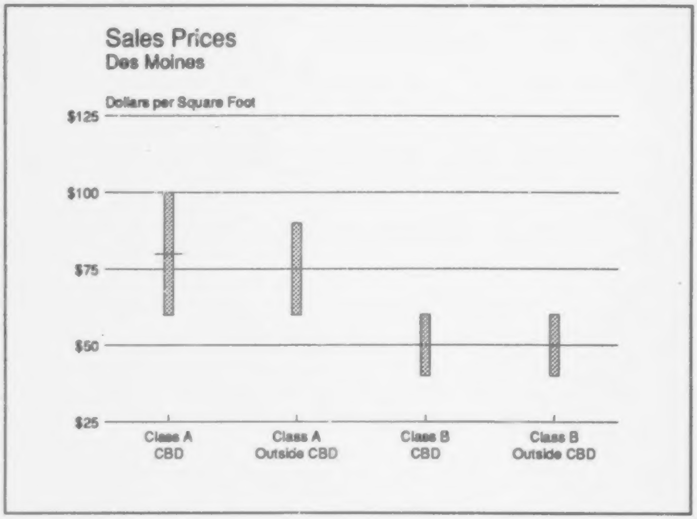
		Rank
Population:	386,041	93
Population Growth Rate:	0.49%	
Unemployment Rate:	3.30%	
Med. Household Income:	$30,838	53
Cost of Living Index:	101.1	41

1990 REVIEW

With the recent rapid expansion in the insurance and finance sectors beginning to slow, the Des Moines office market had difficulty absorbing the 400,000 sq. ft. of space that came on-line in 1990. The overall vacancy rate climbed almost five percentage points to 14.6 percent. The downtown sector was particularly affected by the new space as the vacancy rate rose to 19.5 percent. Suburban Des Moines has been the primary beneficiary of relocations and expansions by financial companies, especially credit card operations and insurance companies. The rising vacancies have not yet translated into liberal concession packages or declining lease rates.

1991 FORECAST

The pace of new finance and insurance jobs will be slow again in 1991. Des Moines' tightening labor market will contribute to the deceleration. Additional CBD construction is not anticipated while suburban development should continue at a steady pace. Developers are constructing speculative buildings west of I-35 and I-80. SIOR's observers forecast a moderate slowdown in demand and an otherwise flat year in 1991.



DETROIT, MICHIGAN: Office

Metropolitan Detroit

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	4,732,697	19,502,656	7,087,289	19,967,077
Vacant	594,495	3,983,652	1,092,233	3,768,685
Vacancy Rate	12.6%	20.4%	15.4%	18.9%
Vacant Sublease	32,024	242,433	81,394	126,941
Under Construction	957,264	545,168	0	0
Substantial Rehab	0	0	0	794,819
Net Absorption	-184,127	1,868,344	84,995	-496,155
Rental Rates ($/sf)				
Lowest	14.50	14.00	9.50	8.00
Highest	22.50	25.70	20.00	23.50
Weighted Average	17.05	18.94	12.95	16.31
Sales Prices ($/sf)				
Lowest	n/a	80.00	40.00	50.00
Highest	n/a	130.00	60.00	70.00
Weighted Average	n/a	105.00	50.00	60.00

Utility Rates: CBD $1.12 per sf
Outside CBD $1.75 per sf
Separately Metered

Parking Ratio: CBD - n/a
Outside CBD - 1 per 200 sf

Standard Work Letter: $30.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year and Stop - Class A: $5.50-8.00; B: 4.00-5.50

Rate of Return: 10.90%

Cumulative Discount Rate: 20%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Signing Bonuses

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Business Services
- Sales

Minor Activity
- Fortune 500 Firms
- Finance/Banking
- Engineering/Architecture
- Government
- Energy

Outlook

Absorption			Same
Construction			Same
Vacancies			Down 1-2%
Rental Rates			Up 1-2%
Landlord Concessions			Down 1-5%
Sales	Class A	CBD	Same
Prices		Outside CBD	Same
	Class B	CBD	Same
		Outside CBD	Same

DEMOGRAPHICS

		Rank
Population:	4,459,902	5
Population Growth Rate:	-0.06%	
Unemployment Rate:	7.00%	
Med. Household Income:	$35,920	19
Cost of Living Index:	n/a	n/a

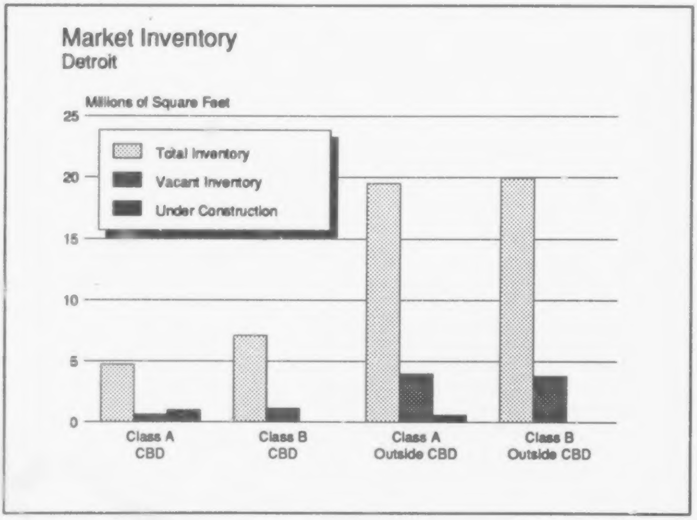
1990 REVIEW

Over 75 percent of Detroit's office space is located in the suburbs. Prime office rents are found outside the CBD. Demand for office space in both suburban and downtown markets was moderately reduced throughout 1990. New construction completions in 1990 totalled approximately 1.5 million sq. ft. compared to 4.7 million sq. ft. in 1989, a slowdown of nearly 70 percent. Even with this decline in new supply, slack demand for office space resulted in substantial leasing incentives. Move-up activity generated negative net absorption figures in some sectors.

(Note: Reclassification of inventory in this market makes this year's figures not statistically comparable with previous editions of the Guide.)

1991 FORECAST

Recent auto industry moves in response to sluggish sales, stagnating market share, and an expensive wage structure have included corporate restructurings and cost cutting actions. The recession will only aggravate Detroit's woes. Nevertheless, with office construction expected to remain at significantly reduced levels, an optimistic outlook for 1991 includes a moderate decline in vacancy rates combined with growing rental rates and a reduction in landlord concessions, according to SIOR's local observer.



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El Paso, Texas: Office

El Paso, Texas

Market Data

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	800,000	654,000	103,000	862,000
Vacant	80,000	60,000	20,000	110,000
Vacancy Rate	10.0%	9.2%	19.4%	12.8%
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	0	0	0	0
Substantial Rehab	0	0	220,000	0
Net Absorption	n/a	n/a	n/a	n/a
Rental Rates ($/sf)				
Lowest	12.50	10.00	8.00	10.00
Highest	16.50	n/a	n/a	n/a
Weighted Average	14.00	13.50	10.00	13.50
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $1.90 per sf
Outside CBD n/a
Not Separately Metered

Parking Ratio: CBD - 1 per 200 sf
Outside CBD - 1 per 300 sf

Standard Work Letter: $15.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: n/a

Cumulative Discount Rate: n/a

Landlord Concessions
- Rental Abatement
- Interior Improvements

Leasing Activity Profile

Major Activity

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Finance/Banking
- Government

Outlook

Absorption	Same
Construction	Same
Vacancies	Same
Rental Rates	Same
Landlord Concessions	Same
Sales Prices Class A CBD	n/a
Outside CBD	n/a
Class B CBD	n/a
Outside CBD	n/a

Demographics

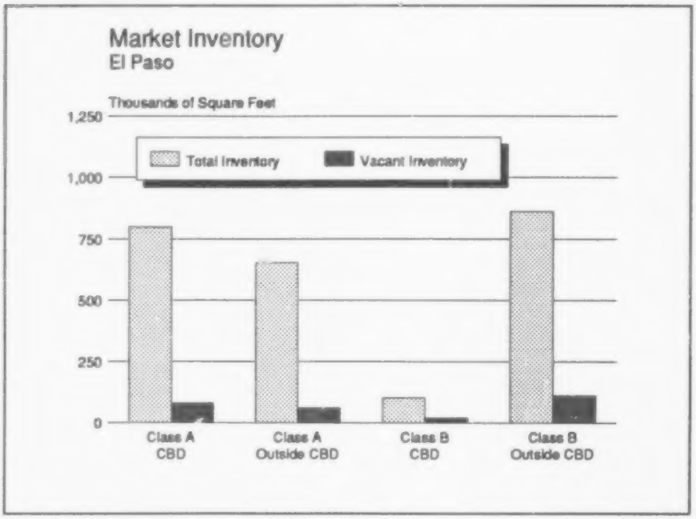
		Rank
Population:	548,895	76
Population Growth Rate:	1.35%	
Unemployment Rate:	10.90%	10
Med. Household Income:	$21,048	9
Cost of Living Index:	96.0	59

1990 Review

El Paso operates differently from the energy dependent markets typical of the state of Texas and much of the Southwest. This market is more directly influenced by its ties to Mexico, particularly the Maquiladora industrialization of El Paso and Juarez, Mexico. This small office market contains only 2.4 million sq. ft. of total inventory with a vacancy rate of 11.2 percent, a one-point improvement from a year ago. The office market has grown from internal expansion, rather than by relocation of regional or national tenants. SIOR's reporter indicates that the market remains active, with most indicators holding steady during 1990.

1991 Forecast

The most significant positive trend affecting the El Paso office market is the new free trade opportunity with Mexico. This should reinforce the relocation and expansion of plants and facilities associated with the Maquiladora industry, involving local, national, and foreign developers, users, and tenants. No office construction is underway currently and the outlook for 1991 is firm, the national recession notwithstanding.



FORT LAUDERDALE, FLORIDA: OFFICE

Fort Lauderdale, Florida

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	1,538,844	5,017,288	1,150,045	7,540,865
Vacant	409,047	1,553,715	166,170	1,732,526
Vacancy Rate	26.6%	31.0%	14.4%	23.0%
Vacant Sublease	26,000	66,000	0	5,800
Under Construction	441,288	236,000	0	0
Substantial Rehab	0	0	0	70,000
Net Absorption	175,000	200,000	10,000	-75,000
Rental Rates ($/sf)				
Lowest	24.00	15.00	13.50	10.50
Highest	29.25	28.50	24.00	23.50
Weighted Average	25.99	19.69	18.76	15.55
Sales Prices ($/sf)				
Lowest	n/a	84.00	n/a	24.00
Highest	n/a	192.00	n/a	85.00
Weighted Average	n/a	100.00	n/a	65.00

Utility Rates: CBD $2.00 per sf
Outside CBD $1.75 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 333 sf
Outside CBD - 1 per 400 sf

Standard Work Letter: $22.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: n/a

Cumulative Discount Rate: 20%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Signing Bonuses
- Club Memberships

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Government

Minor Activity
- Fortune 500 Firms
- Business Services
- Sales
- Finance/Banking
- Engineering/Architecture
- Energy
- Hi-Tech

Outlook

Absorption		Up 25%
Construction		Down 40%
Vacancies		Same
Rental Rates		Down 5%
Landlord Concessions		Up 5%
Sales Prices	Class A CBD	Up
	Outside CBD	Down 5%
	Class B CBD	Up
	Outside CBD	Down 10%

DEMOGRAPHICS

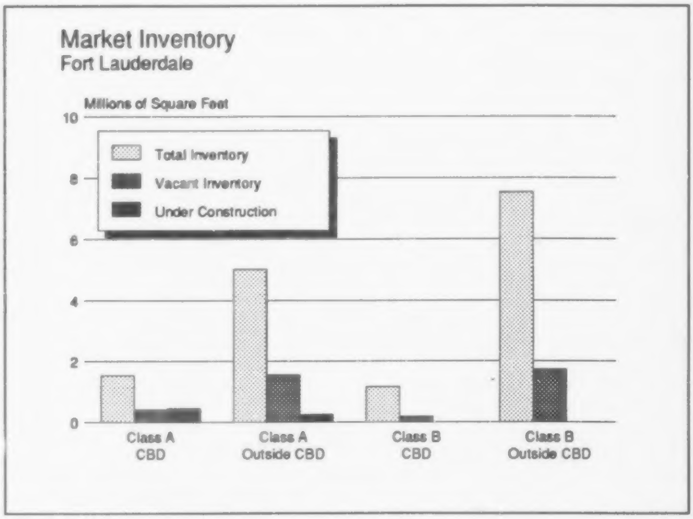
		Rank
Population:	1,316,127	39
Population Growth Rate:	2.60%	
Unemployment Rate:	5.60%	
Med. Household Income:	$32,444	35
Cost of Living Index:	n/a	n/a

1990 REVIEW

Fort Lauderdale shared in the national office recession. Locally, demand was depressed by a lackluster South Florida economy. Three major buildings, two in the CBD, are scheduled for 1990 completion which will bring approximately 600,000 sq. ft. of office space to the market. Following this, no new projects will commence in the foreseeable future. The overall vacancy rate was just over 25 percent and rental rates declined somewhat. Concession packages allow for cumulative discounts up to 20 percent.

1991 FORECAST

The completion of three new expressways will open up the western Fort Lauderdale suburbs for commercial development. This is the only area of Broward County expecting strong activity. Look for continued weakness in the CBD as new office buildings completed between November 1990 and December 1991 nearly doubles the amount of available downtown office space. SIOR's observer expects absorption levels to pick up in 1991 as a result of anticipated lower rental rates and more liberal concession packages.



FORT WAYNE, INDIANA: Office

Fort Wayne Metropolitan Area

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	860,000	300,000	180,000	200,000
Vacant	50,000	30,000	25,000	120,000
Vacancy Rate	5.8%	10.0%	13.9%	60.0%
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	n/a	n/a	n/a	n/a
Substantial Rehab	20,000	15,000	n/a	n/a
Net Absorption	43,000	40,000	25,000	30,000
Rental Rates ($/sf)				
Lowest	14.50	12.00	10.00	9.50
Highest	19.00	14.00	12.00	11.00
Weighted Average	16.57	13.25	11.00	10.35
Sales Prices ($/sf)				
Lowest	-	43.00	-	40.00
Highest	-	90.00	-	75.00
Weighted Average	-	n/a	-	n/a

Utility Rates: CBD $2.00 per sf
Outside CBD $1.75 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 400 sf
Outside CBD - 1 per 500 sf

Standard Work Letter: $15.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Stop - $4.75

Rate of Return: 13.50%

Cumulative Discount Rate: 8%

Landlord Concessions
- Parking
- Rental Abatement
- Interior Improvements

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Business Services

Minor Activity
- Fortune 500 Firms
- Sales
- Finance/Banking
- Engineering/Architecture

OUTLOOK

Absorption		Same
Construction		Down
Vacancies		Same
Rental Rates		Same
Landlord Concessions		Same
Sales	Class A CBD	Same
Prices	Outside CBD	Same
	Class B CBD	Down 10%
	Outside CBD	Down 10%

DEMOGRAPHICS

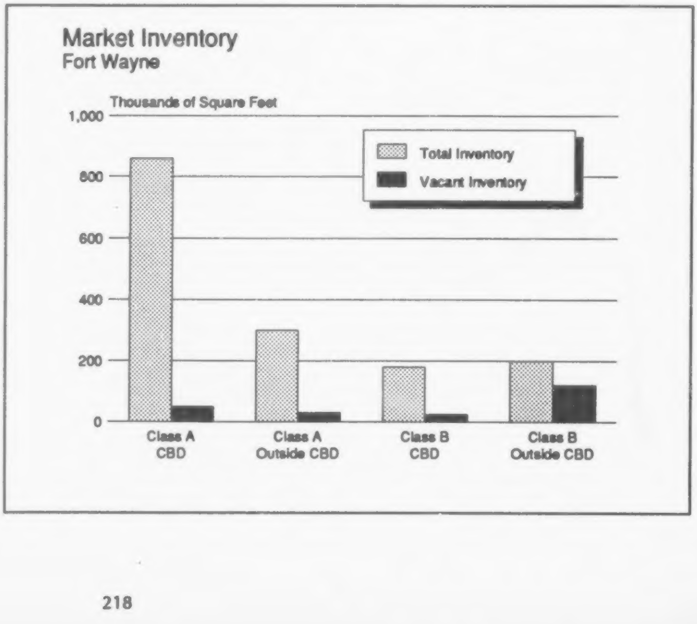
		Rank
Population:	382,592	95
Population Growth Rate:	0.78%	
Unemployment Rate:	5.20%	
Med. Household Income:	$30,978	50
Cost of Living Index:	92.7	71

1990 REVIEW

Ties to the auto industry through General Motors and Uniroyal-Goodrich produced a sluggish economy for Fort Wayne in 1990. Demand for office space was down again, with net absorption totalling only 138,000 sq. ft. The overall vacancy rate rose to 14.6 percent, with 225,000 sq. ft. of the 1.5 million sq. ft. office market empty. Quoted rental rates were flat and concession packages offer cumulative discounts of eight percent. The service industry continues its encouraging growth, especially by legal, accounting, insurance, and business services firms.

1991 FORECAST

If anticipated corporate consolidations occur, Fort Wayne could see its downtown office vacancy higher than usual. SIOR's reporter expects that the pullback in new office development will control the rising vacancy rate and allow for a stable year in 1991. It may begin to be difficult to find large contiguous blocks of space available. Longer-term concerns include the inadequacy of the transportation network and the deferral of expansion plans by Lincoln National Corporation.



FRESNO, CALIFORNIA: OFFICE

Fresno / Clovis Metropolitan Area

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	830,000	2,842,000	1,218,600	5,918,400
Vacant	18,500	68,000	454,500	685,900
Vacancy Rate	2.2%	2.4%	37.3%	11.6%
Vacant Sublease	0	13,500	0	21,600
Under Construction	200,000	170,000	0	65,000
Substantial Rehab	0	0	23,000	81,000
Net Absorption	160,000	146,000	28,800	111,400
Rental Rates ($/sf)				
Lowest	15.60	18.00	10.80	12.00
Highest	20.75	23.00	14.40	16.00
Weighted Average	19.25	20.50	11.50	15.50
Sales Prices ($/sf)				
Lowest	60.00	95.00	30.00	80.00
Highest	110.00	135.00	100.00	110.00
Weighted Average	71.50	115.00	62.75	104.25

Utility Rates: CBD $14.00-16.0 per sf
Outside CBD $14.00-16.0 per sf
Separately Metered

Standard Work Letter: $23.50 per sf, typically based on dollars per square foot

Rate of Return: 9.75%

Cumulative Discount Rate: 8-10%

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Interior Improvements

Parking Ratio: CBD - 1 per 2,000 sf
Outside CBD - 1 per 250 sf

Operating Cost Escalation: Base Year and Stop - $4.50 - $5.00

Leasing Activity Profile

Major Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Sales
- Finance/Banking
- Government
- Agricultural

Minor Activity
- Business Services
- Engineering/Architecture

OUTLOOK

Absorption		Up 25-30%
Construction		Up 10-15%
Vacancies		Down 2%
Rental Rates		Up 10-15%
Landlord Concessions		Same
Sales Prices	Class A CBD	Same
	Outside CBD	Up 15-20%
	Class B CBD	Same
	Outside CBD	Up 10-15%

DEMOGRAPHICS

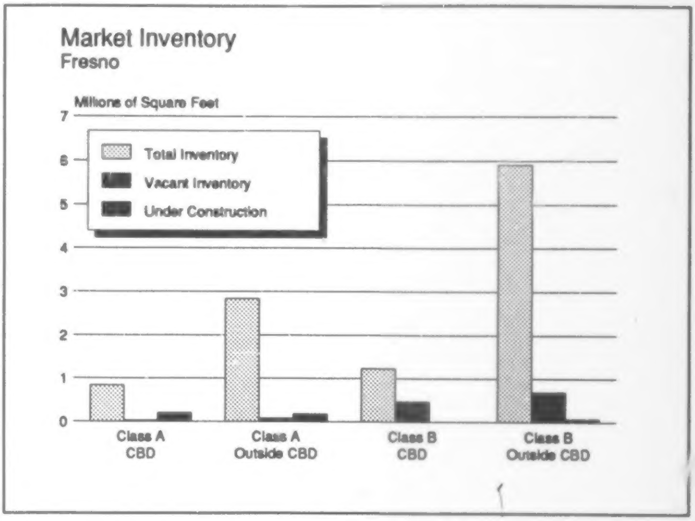
		Rank
Population:	633,024	68
Population Growth Rate:	2.09%	
Unemployment Rate:	8.20%	
Med. Household Income:	$26,200	93
Cost of Living Index:	113.2	10

1990 REVIEW

Another strong, productive year was registered in the Fresno office market in 1990. The overall vacancy rate dropped further to 11.4 percent as net absorption increased 35 percent to 446,200 sq. ft. Class "A" space was very tight with a vacancy rate of only 2.4 percent. The strength of this market resulted in an overall rise in rental rates. An attractive cost structure lures businesses, investment, and residents into the area. Relocations, primarily from Los Angeles and San Francisco, continue to boost the demand for office space in Fresno. Sales prices indicate a premium for both Class "A" and "B" buildings located outside the CBD.

1991 FORECAST

Several Class "A" buildings are proposed for construction in 1991 due to the relatively rapid absorption of Class "A" office space built in the North Fresno area. Leasing activity is expected to remain strong due to steady demand from agricultural related industry. Continued diversification into non-agricultural sectors will be necessary, however, to sustain growth. SIOR's observer also reports a trend away from full service leases to net leases for office space.



GARY-HAMMOND-EAST CHICAGO, INDIANA: Office

Gary-Hammond-East Chicago PMSA including Lake Porter

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	0	500,000	500,000	1,500,000
Vacant	0	75,000	50,000	100,000
Vacancy Rate	-	15.0%	10.0%	6.7%
Vacant Sublease	-	0	0	0
Under Construction	-	75,000	0	75,000
Substantial Rehab	-	0	0	50,000
Net Absorption	-	40,000	0	100,000
Rental Rates ($/sf)				
Lowest	-	12.50	5.00	10.00
Highest	-	15.00	8.00	13.50
Weighted Average	-	13.50	6.50	11.50
Sales Prices ($/sf)				
Lowest	-	70.00	35.00	50.00
Highest	-	110.00	60.00	90.00
Weighted Average	-	90.00	45.00	75.00

Utility Rates: CBD $1.50 per sf
Outside CBD $1.50 per sf
Separately Metered

Parking Ratio: CBD - 1 per 2,000 sf
Outside CBD - 1 per 400 sf

Standard Work Letter: $15.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: n/a

Cumulative Discount Rate: 8%

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Finance/Banking
- Engineering/Architecture
- Government

Minor Activity
- Fortune 500 Firms
- Energy

OUTLOOK

Absorption			Up 5-10%
Construction			Same
Vacancies			Same
Rental Rates			Same
Landlord Concessions			Same
Sales	Class A	CBD	Same
Prices		Outside CBD	Same
	Class B	CBD	Same
		Outside CBD	Same

DEMOGRAPHICS

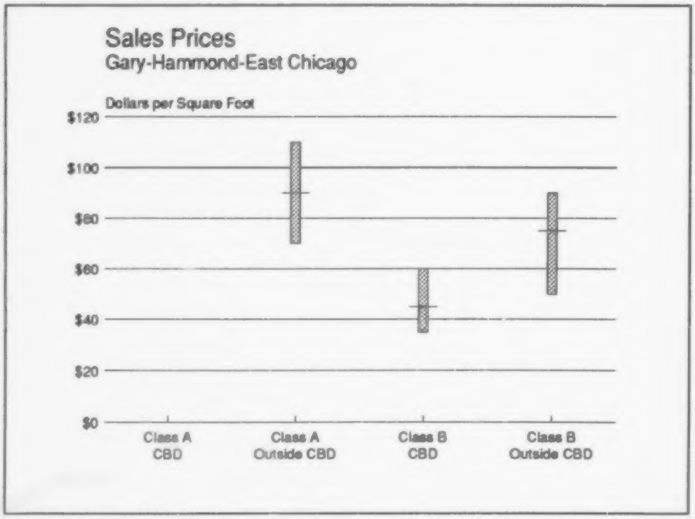
		Rank
Population:	609,183	72
Population Growth Rate:	-0.54%	
Unemployment Rate:	5.40%	
Med. Household Income:	$30,306	59
Cost of Living Index:	n/a	n/a

1990 REVIEW

Gary, located 28 miles from Chicago, is heavily dependent on steel production with higher than average levels of manufacturing employment. Competition from nearby Chicago has made diversification of the economy difficult. Gary has had some success in developing its transportation and health care sectors. This small office market contains 2.5 million sq. ft. of space and saw its overall vacancy rate rise to nine percent. Rental rates and net absorption levels were flat. New construction continues to occur outside the CBD to meet the steady demand and avoid urban blight.

1991 FORECAST

Demand for Class "B" space outside the CBD will remain strong in 1991 as the population shifts away from urban areas and job creation occurs outside the CBD. Gary has yet to stem the tide of population loss shrinking its market base. Gary will have to begin to grapple with environmental concerns to ease pollution created both by the resident population and local industry. SIOR's Gary observer expects absorption levels to pick up but otherwise 1991 should be a flat year for the office market.



GRAND RAPIDS, MICHIGAN: Office

Grand Rapids MSA, including Kent & Ottawa Counties

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	1,780,000	4,450,000	1,150,000	950,000
Vacant	90,000	740,000	230,000	170,000
Vacancy Rate	5.1%	16.6%	20.0%	17.9%
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	0	0	0	0
Substantial Rehab	0	0	100,000	0
Net Absorption	80,000	120,000	50,000	20,000
Rental Rates ($/sf)				
Lowest	16.00	12.50	11.00	8.00
Highest	19.50	15.50	14.00	10.00
Weighted Average	n/a	n/a	n/a	n/a
Sales Prices ($/sf)				
Lowest	n/a	30.00	n/a	18.00
Highest	n/a	54.00	n/a	27.00
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $1.20-2.20 per sf
Outside CBD $1.17-1.95 per sf
Separately Metered

Parking Ratio: CBD - 1 per 300 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $14.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year and Stop - $4.00 - $6.00

Rate of Return: 13.50%

Cumulative Discount Rate: n/a

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Interior Improvements
- Signing Bonuses

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Engineering/Architecture

Minor Activity
- Fortune 500 Firms
- Business Services
- Sales
- Finance/Banking
- Government
- Energy

Outlook

Absorption		Down 10-15%
Construction		Down 20-25%
Vacancies		Same
Rental Rates		Same
Landlord Concessions		Up 5-10%
Sales Prices	Class A CBD	Same
	Outside CBD	Same
	Class B CBD	Same
	Outside CBD	Same

DEMOGRAPHICS

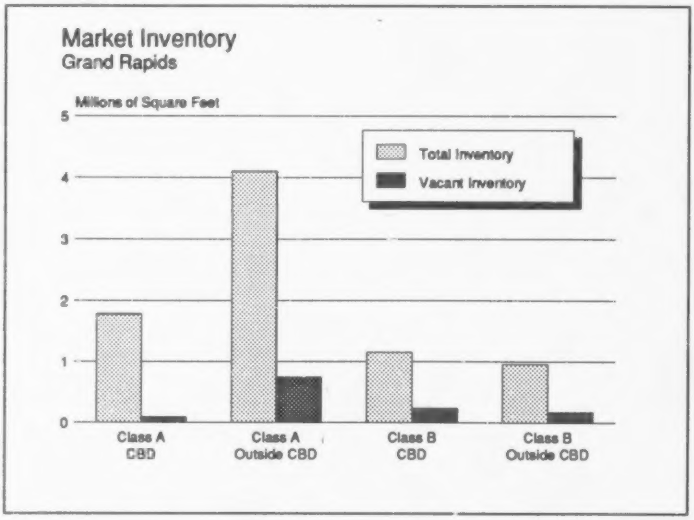
		Rank
Population:	597,263	74
Population Growth Rate:	-0.07%	
Unemployment Rate:	5.60%	
Med. Household Income:	$31,575	45
Cost of Living Index:	n/a	n/a

1990 REVIEW

Grand Rapids' economy has performed strongly during the 1980s. While GM is one of Grand Rapids' largest employers with over 8,000 employees, the major manufacturing sector is furniture and fixtures. Office demand from legal, accounting, bank, and insurance firms, resulted in a net absorption level of 270,000 sq. ft. This level, however, was not quite in pace with new construction and the overall vacancy rate rose to 14.8 percent. There is an oversupply in the suburbs where the vacancy rate stands at 16.9 percent. However, SIOR's observer reports a shortage of larger spaces of 10,000 sq. ft. or more of Class "A" space in the CBD. Another potential weakness exists in the Class "B" sector where a 19 percent vacancy rate exists. The 1990 rental rates for the Grand Rapids office market were flat.

1991 FORECAST

Developers and lenders are looking for vacancy rates to subside before bringing new projects to the market. This is good news for the suburban markets which are suffering from high vacancy rates; however, this may prove restrictive for the CBD sector. The market tightness in the CBD, especially for modern, large contiguous space, indicates a need for new construction. An announced 700,000 sq. ft. office building to be known as Bridgewater Place would provide needed flexibility in this market segment. Absorption is expected to slow in 1991 leaving vacancies and rental rates flat.



GREENSBORO, NORTH CAROLINA: OFFICE

Greensboro, High Point, Winston, Piedmont, and Triad

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	1,473,000	1,883,211	830,000	540,000
Vacant	225,000	384,407	112,000	289,462
Vacancy Rate	15.3%	20.4%	13.5%	53.6%
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	0	n/a	n/a	n/a
Substantial Rehab	180,000	n/a	0	n/a
Net Absorption	335,000	70,000	0	83,000
Rental Rates ($/sf)				
Lowest	14.00	12.50	9.00	8.50
Highest	19.00	14.00	12.00	11.50
Weighted Average	16.50	13.00	11.00	10.00
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $1.70 per sf
Outside CBD $1.60 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 0 sf
Outside CBD - 1 per 286 sf

Standard Work Letter: $19.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year and Stop - $3.60

Rate of Return: n/a

Cumulative Discount Rate: 5-10%

Landlord Concessions
- Parking
- Rental Abatement
- Interior Improvements

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Business Services
- Finance/Banking
- Engineering/Architecture
- Government

Minor Activity
- Fortune 500 Firms
- Sales
- Energy

OUTLOOK

Absorption		Down 10%
Construction		Down
Vacancies		Up 10%
Rental Rates		Same
Landlord Concessions		Up
Sales Prices	Class A CBD	n/a
	Outside CBD	n/a
	Class B CBD	n/a
	Outside CBD	n/a

DEMOGRAPHICS

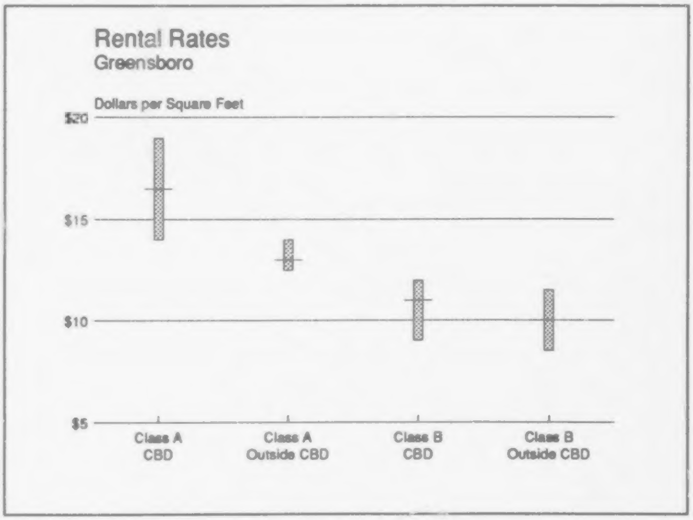
		Rank
Population:	973,047	51
Population Growth Rate:	1.34%	
Unemployment Rate:	3.00%	
Med. Household Income:	$30,287	60
Cost of Living Index:	98.8	46

1990 REVIEW

The Greensboro MSA employs 30 percent of its labor force in manufacturing. This makes the area vulnerable to the fluctuations of the business cycle as well as the long-run industry trends. Office market conditions worsened in 1990 as a small decline in total employment combined with significant speculative development pushed the overall vacancy rate over 21 percent. Rental rates declined, especially in the Class "A" downtown sector where most of the new construction came [illegible]-line. The weighted average rental rate for Class "A" CBD space dropped three dollars to $16.50. In 1990 sales and leasing activity was fueled by relocations into two 350,000 sq. ft. high-rise buildings in the CBD and extensive activity in the Airport/I-40 corridor by NCNB Real Estate Fund, Koger, and Forsyth Partners.

1991 FORECAST

Another year of adjustment is forecasted for the Greensboro office market in 1991. Luckily very little speculative development is underway or in the pipelines. This should give the market a breather to catch up with the new supply. The national slow-down will affect economic growth in Greensboro as absorption is expected to drop 10 percent. Vacancy rates are likely to increase.



GREENVILLE, SOUTH CAROLINA: OFFICE

Greenville, South Carolina

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	1,070,000	1,375,000	1,386,000	1,925,000
Vacant	95,000	110,000	277,000	340,000
Vacancy Rate	8.9%	8.0%	20.0%	17.7%
Vacant Sublease	20,000	50,000	15,000	10,000
Under Construction	0	0	0	0
Substantial Rehab	0	0	0	0
Net Absorption	60,000	95,000	45,000	210,000
Rental Rates ($/sf)				
Lowest	15.50	12.50	12.50	11.00
Highest	19.00	15.75	13.50	12.50
Weighted Average	16.00	13.50	12.75	11.50
Sales Prices ($/sf)				
Lowest	90.00	70.00	65.00	55.00
Highest	123.00	87.00	81.00	65.00
Weighted Average	95.00	71.00	70.00	58.00

Utility Rates: CBD $1.55 per sf
Outside CBD $1.35 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 200 sf
Outside CBD - 1 per 200 sf

Standard Work Letter: $13.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 10.75%

Cumulative Discount Rate: 18%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Business Services
- Engineering/Architecture

Minor Activity
- Fortune 500 Firms
- Insurance
- Sales
- Finance/Banking

OUTLOOK

Absorption		Up 5%
Construction		Down 50%
Vacancies		Same
Rental Rates		Same
Landlord Concessions		Up 5%
Sales Prices	Class A CBD	Down 5%
	Outside CBD	Down 5%
	Class B CBD	Down 15%
	Outside CBD	Down 10%

DEMOGRAPHICS

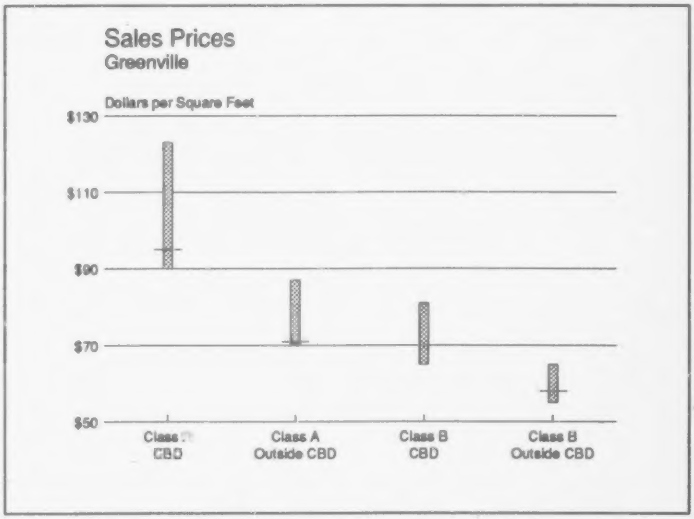
		Rank
Population:	625,381	69
Population Growth Rate:	0.95%	
Unemployment Rate:	4.20%	
Med. Household Income:	$28,253	80
Cost of Living Index:	95.8	61

1990 REVIEW

While business services such as management and consulting, engineering, architecture, and personnel supply have seen healthy growth over the past few years, the manufacturing sector such as textiles, rubber, and plastics still dominates. Low wages, a low cost of living, and the ability to transport goods to a large number of markets in one day's travel time make Greenville attractive to manufacturers. These industries have helped the MSA attain a very low unemployment rate. The market for Class "A" office space in both the CBD and the suburban markets remained relatively tight in 1990 with approximately an eight percent vacancy rate in both locations. Class "B" vacancy rates, on the other hand, ran more than twice that level. Absorption was healthy in 1990, with 210,000 sq. ft. leased by price-sensitive tenants in Class "B" suburban properties.

1991 FORECAST

The outlook for 1991 and beyond is mixed. With little new development and steady absorption levels the vacancy rate for Class "A" space should remain low. However, the lack of diversity in the economy and the dependence on manufacturing industries will place the economy at risk as the national recession reduces demand for durable goods. Additionally, the labor force's low level of educational attainment discourages relocation of office-using industries to the MSA.



HARTFORD, CONNECTICUT: Office

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	7,074,200	10,250,470	1,897,000	1,427,000
Vacant	1,300,145	1,563,000	320,000	437,000
Vacancy Rate	18.4%	15.2%	16.9%	30.6%
Vacant Sublease	135,000	112,565	n/a	n/a
Under Construction	0	142,000	n/a	n/a
Substantial Rehab	0	0	n/a	n/a
Net Absorption	123,000	478,700	16,438	42,750
Rental Rates ($/sf)				
Lowest	18.00	16.00	12.00	9.00
Highest	30.00	25.00	21.00	16.00
Weighted Average	25.50	20.50	17.50	12.00
Sales Prices ($/sf)				
Lowest	n/a	100.00	n/a	75.00
Highest	n/a	125.00	n/a	100.00
Weighted Average	n/a	115.00	n/a	85.00

Utility Rates: CBD $2.25 per sf
Outside CBD $1.75 per sf
Separately Metered

Parking Ratio: CBD - 1 per 1,000 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $20.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 11.00%

Cumulative Discount Rate: 20%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Signing Bonuses

Leasing Activity Profile

Major Activity
- Insurance
- Government

Minor Activity
- Fortune 500 Firms
- Legal/Accounting

OUTLOOK

Absorption			Up 10%
Construction			Same
Vacancies			Down 10%
Rental Rates			Down 20%
Landlord Concessions			Up 10%
Sales Prices	Class A	CBD	Down 10-15%
		Outside CBD	Down 10-15%
	Class B	CBD	Down 10-15%
		Outside CBD	Down 10-15%

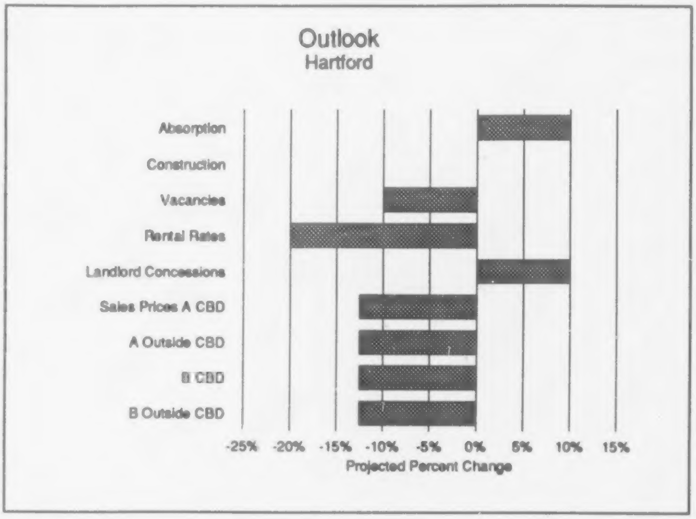
DEMOGRAPHICS		Rank
Population:	755,168	61
Population Growth Rate:	0.54%	
Unemployment Rate:	4.50%	
Med. Household Income:	$45,250	6
Cost of Living Index:	n/a	n/a

1990 REVIEW

Hartford's office market has fared relatively well in the midst of the severe economic downturn dragging down many New England markets. After two years of consolidations and payroll reductions, the insurance industry is stabilizing. As the state capital, Hartford's economy also receives strength from the significant government sector. New construction corrected quickly to the slower pace of economic expansion. Development came to a virtual standstill in 1990 due to the lack of leasing activity and the inability to obtain financing. The overall vacancy rate changed little and stands at 17.5 percent. Tenants are extremely aggressive when negotiating with landlords. Concession packages offer cumulative discounts of 20 percent.

1991 FORECAST

The five proposed office towers for the Hartford CBD will remain on the drawing board for 1991. Class "A" space had been stagnant but some expect major transactions to be announced in early 1991. With development at a standstill, absorption will eventually create a demand for new space, but this is unlikely to happen before the end of 1992. Look for continued strong activity in the suburbs. The insurance industry and state government continue to be the largest users of back office space. Watch for political fireworks, too, as Hartford seeks fiscal support from the wealthy commuter suburbs surrounding the central city.



HONOLULU, HAWAII: OFFICE

Honolulu, Hawaii / Island of Oahu

MARKET DATA

Inventory (sf)	Class A CBD	Class A Outside CBD	Class B CBD	Class B Outside CBD
Total	4,087,780	3,180,315	3,669,834	3,523,255
Vacant	144,648	127,000	42,750	129,653
Vacancy Rate	3.5%	4.0%	1.2%	3.7%
Vacant Sublease	27,000	36,400	12,750	17,582
Under Construction	880,000	240,000	0	150,000
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	105,754	365,000	67,545	161,964
Rental Rates ($/sf)				
Lowest	27.00	22.80	25.20	21.00
Highest	37.80	36.00	28.80	29.40
Weighted Average	32.40	29.40	27.00	25.20
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $2.85 per sf
Outside CBD $2.85 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 600 sf
Outside CBD - 1 per 500 sf

Standard Work Letter: n/a, typically based on n/a

Operating Cost Escalation: Base Year and Stop

Rate of Return: n/a

Cumulative Discount Rate: n/a

Landlord Concessions
- Rental Abatement
- Interior Improvements

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Finance/Banking
- Engineering/Architecture
- Government

Minor Activity
- Fortune 500 Firms
- Business Services
- Sales
- Energy

OUTLOOK

Absorption		Down 45%
Construction		Same
Vacancies		Same
Rental Rates		Up 7.5%
Landlord Concessions		Up 15%
Sales Prices	Class A CBD	Same
	Outside CBD	Same
	Class B CBD	Same
	Outside CBD	Same

DEMOGRAPHICS

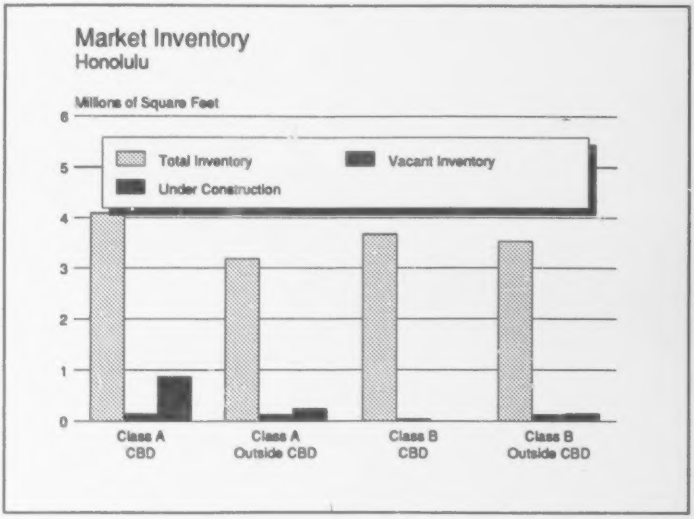
		Rank
Population:	844,178	59
Population Growth Rate:	1.02%	
Unemployment Rate:	2.60%	
Med. Household Income:	$37,031	17
Cost of Living Index:	n/a	n/a

1990 REVIEW

With solid demand growth and new construction limited by the high cost of land and development, the Honolulu office market is one of the healthiest in the nation. The 14.5 million sq. ft. office market registers a vacancy rate of only 3.1 percent, down from 5.2 percent a year ago. A potential pitfall in this market may be a shortage of space. Absorption kept a steady pace of 700,263 sq. ft. leased. Rental rates continued to climb and landlord concessions were virtually non-existent. The 1.2 million sq. ft. of office space under construction is a welcome relief to the existing space constraints.

1991 FORECAST

Absorption levels are expected to decline in 1991; however, the outlook is still strong for Honolulu's office market. Demand will be down due to the general slowing of the economy, office space constraints, and the lack of affordable housing which restrains labor force growth. Rental rates should continue to rise due to the tightness of the market. On the investment front, the noticable downturn of Japanese activity in U.S. real estate will affect Honolulu.



HOUSTON, TEXAS: Office

Houston

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	24,129,000	32,313,000	7,872,000	58,236,000
Vacant	3,580,000	3,830,000	1,851,000	14,326,000
Vacancy Rate	14.8%	11.9%	23.5%	24.6%
Vacant Sublease	500,000	700,000	400,000	800,000
Under Construction	0	560,000	0	0
Substantial Rehab	907,600	n/a	n/a	690,000
Net Absorption	-325,000	1,700,000	475,000	2,385,000
Rental Rates ($/sf)				
Lowest	12.35	9.00	7.50	6.00
Highest	31.84	23.47	18.96	12.88
Weighted Average	15.40	12.88	9.74	10.20
Sales Prices ($/sf)				
Lowest	n/a	60.00	n/a	25.00
Highest	n/a	90.00	n/a	40.00
Weighted Average	n/a	75.00	n/a	35.00

Utility Rates: CBD $1.40 per sf
Outside CBD $1.00 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 1,500 sf
Outside CBD - 1 per 275 sf

Standard Work Letter: $11.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 10.00%

Cumulative Discount Rate: 7.5%

Landlord Concessions
- Parking
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Club Memberships
- Architectural Allowances
- Renewal & Expansion

Leasing Activity Profile

Major Activity
- Fortune 500 Firms
- Legal/Accounting
- Engineering/Architecture
- Energy

Minor Activity
- Insurance
- Business Services
- Sales

OUTLOOK

Absorption			Up 10%
Construction			Same
Vacancies			Down 10%
Rental Rates			Up 8-10%
Landlord Concessions			Down 5%
Sales	Class A	CBD	Up 5%
Prices		Outside CBD	Up 5%
	Class B	CBD	Up 10%
		Outside CBD	Up 10%

DEMOGRAPHICS

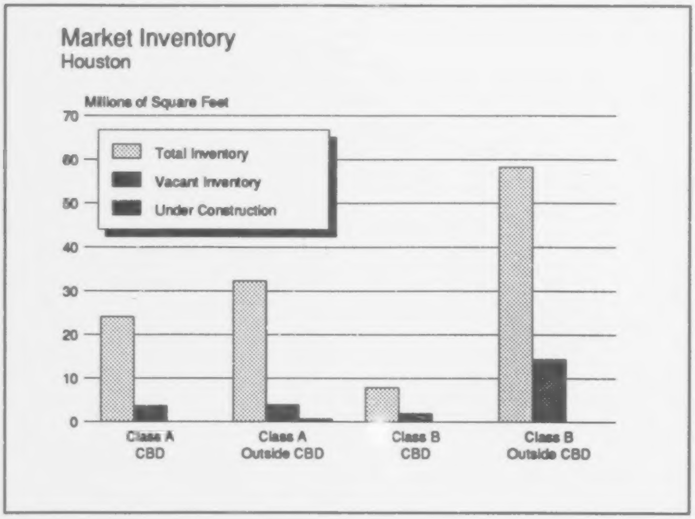
		Rank
Population:	3,516,112	7
Population Growth Rate:	2.54%	
Unemployment Rate:	5.50%	
Med. Household Income:	$29,945	65
Cost of Living Index:	100.3	43

1990 REVIEW

The Houston metropolitan economy continued to rebound as the energy industry geared up in 1990. Rapid absorption levels were generated in a market with almost no new construction. The overall vacancy rate stands at 19.2 percent representing a further decline from the significantly higher rates of the mid-1980s. A particular strength is apparent in the Class "A" sector where the vacancy rate is 13.1 percent. Expansion and relocation activity continued to drive the leasing activity, and foreign investment increased in 1990. Foreign and domestic investors were still able to buy properties at prices below replacement costs causing the investment for Houston properties to surge.

1991 FORECAST

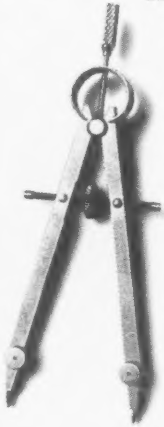
As confidence strengthens in 1991, expect rental rates to rise about 10 percent. Investors who bought in Houston's darkest days should already be seeing capital appreciation in their assets. Opportunities remain to make astute acquisitions during 1991. With no new speculative office development anticipated for the next two to three years, expect vacancies to continue to decline. Construction activity consists of several build-to-suits for large tenants unable to lease contiguous blocks of space. Rental rates for Class "A" space should rise faster than other classes.



How Enron Power discovered a new source of energy in The Woodlands.

Fueled by the need to expand their office facilities, Enron Power tapped The Woodlands Town Center as their new business address.

A wholly-owned subsidiary of Houston-based Enron Corp, Enron Power is engaged in the development, construction and operation of co-generation and other non-regulated electric generating facilities.



According to John Wing, chairman of Enron Power, "The first thing that attracted us to The Woodlands Town Center was the stability of the business development and its overall environment".

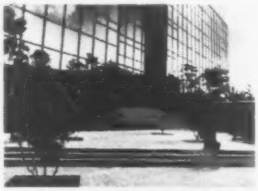
The Woodlands Town Center is generating a lot of interest among major corporations who need affordable office space, but don't want to sacrifice the advantages of a well-known developer.

"It's a great environment for doing business. All the support services we need are here, and the natural surroundings help keep things more relaxed and productive."

In addition, The Woodlands' proximity to Intercontinental Airport and The Hardy Toll Road makes it easy for Enron Power's executives to access domestic and international operations, as well as their corporate offices downtown.

"The move met with very positive response from our employees. We knew The Woodlands to be an established residential community, and among the list of amenities we were pleased to find an excellent conference center. It's a great move for us personally, and for the company."

Whatever the nature of your business, The Woodlands Town Center has the energy and experience to make your next move the right one.



Call (713) 377-6900
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The Woodlands Corporation

Town Center • Research Forest • Trade Center

The Woodlands community is being developed by The Woodlands Corporation, a subsidiary of Mitchell Energy & Development Corp. Obtain the Property Report required by Federal law and read before signing anything. No Federal agency has judged the merits or value, if any, of this property.

Indianapolis, Indiana: Office

Indianapolis, Indiana

Market Data

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD***	**Outside CBD**
Total	6,444,788	12,044,188	2,191,536	-
Vacant	1,291,922	2,800,302	478,755	-
Vacancy Rate	20.0%	23.3%	21.8%	-
Vacant Sublease	n/a	n/a	n/a	-
Under Construction	70,000	279,000	n/a	-
Substantial Rehab	n/a	n/a	n/a	-
Net Absorption	812,369	560,331	-184,364	-
Rental Rates ($/sf)				
Lowest	16.50	12.50	9.00	-
Highest	23.00	19.00	14.00	-
Weighted Average	n/a	n/a	n/a	-
Sales Prices ($/sf)				
Lowest	40.00	30.00	30.00	-
Highest	90.00	75.00	60.00	-
Weighted Average	n/a	n/a	n/a	-

Utility Rates: CBD $1.40 per sf
Outside CBD $1.40 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 1,000 sf
Outside CBD - 1 per 200 sf

Standard Work Letter: $18.50 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year and Stop - $4.00 - $6.00

Rate of Return: 11.00%

Cumulative Discount Rate: 27.5%

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Signing Bonuses

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Finance/Banking
- Associations

Minor Activity
- Fortune 500 Firms
- Business Services
- Sales
- Engineering/Architecture
- Government
- Energy

Outlook

Absorption		Same
Construction		Down 90%
Vacancies		Down 2%
Rental Rates		Up 5%
Landlord Concessions		Down 5-10%
Sales	Class A CBD	Down
Prices	Outside CBD	Down
	Class B CBD	Down
	Outside CBD	Same

Demographics

		Rank
Population:	1,268,572	40
Population Growth Rate:	0.84%	
Unemployment Rate:	- 3.70%	
Med. Household Income:	$31,154	49
Cost of Living Index:	97.6	53

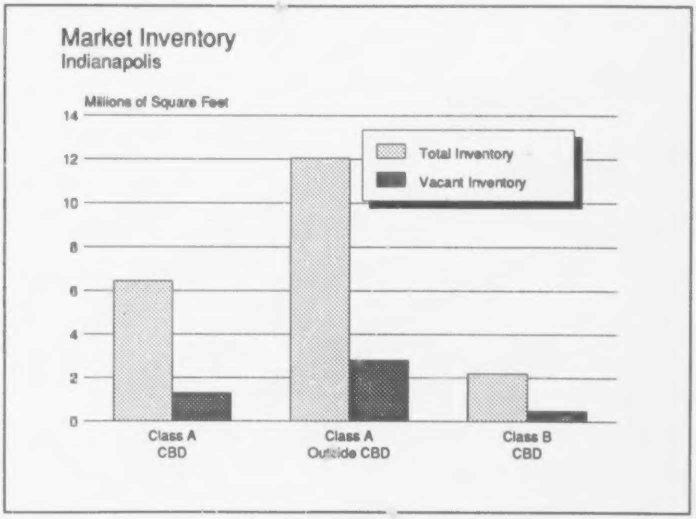
1990 Review

Indianapolis has been one of the star performers among Midwest metropolitan areas in recent years. Its central location relative to other Midwest markets and to the nation is reinforced by the intersection of four interstates and an interstate beltway. This growing economy offered lucrative investment opportunities, leading to significant building activity and the potential for oversupply. The Indianapolis office market began to show signs of weakness in 1990. The overall vacancy rate rose to 22.1 percent as the first of the 1.3 million sq. ft. of new construction came on line. Due to the narrowing of rental margins, significant tenant movement occurred from Class "B" CBD space to Class "A" CBD space. On a positive note, there were only 350,000 sq. ft. of space under construction in 1990.

1991 Forecast

A tighter lending environment requiring a large percentage of equity on the part of the developer and preleasing of up to 75 percent should prove effective in limiting speculative development in 1991. With absorption levels expected to remain consistent with 1990 levels, this slackening in new construction should allow vacancy rates to decline moderately. Rents throughout the market should begin to firm as cumulative concession packages subside.

*(Note: Inventory figures for Class "B" space include both CBD and Outside CBD space.)



JACKSON, MICHIGAN: OFFICE

Jackson, Michigan

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	146,000	-	395,000	40,000
Vacant	6,000	-	340,000	30,000
Vacancy Rate	4.1%	-	86.0%	75.0%
Vacant Sublease	n/a	-	n/a	n/a
Under Construction	20,000	-	n/a	n/a
Substantial Rehab	n/a	-	n/a	n/a
Net Absorption	12,000	-	10,000	n/a
Rental Rates ($/sf)				
Lowest	12.00	-	6.50	6.50
Highest	18.00	-	12.00	12.00
Weighted Average	15.00	-	9.00	9.00
Sales Prices ($/sf)				
Lowest	22.00	20.00	12.00	12.00
Highest	28.00	28.00	16.00	16.00
Weighted Average	25.00	24.00	14.00	14.00

Utility Rates: CBD $n/a per sf
Outside CBD $n/a per sf
Separately Metered

Parking Ratio: CBD - 1 per 400 sf
Outside CBD - 1 per 200 sf

Standard Work Letter: n/a, typically based on n/a

Operating Cost Escalation: Base Year

Rate of Return: 12.00%

Cumulative Discount Rate: n/a

Landlord Concessions
- Parking

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Business Services

Minor Activity
- Insurance
- Finance/Banking
- Government
- Energy

OUTLOOK

Absorption		Same
Construction		Same
Vacancies		Same
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	Same
	Outside CBD	Same
	Class B CBD	Same
	Outside CBD	Same

DEMOGRAPHICS

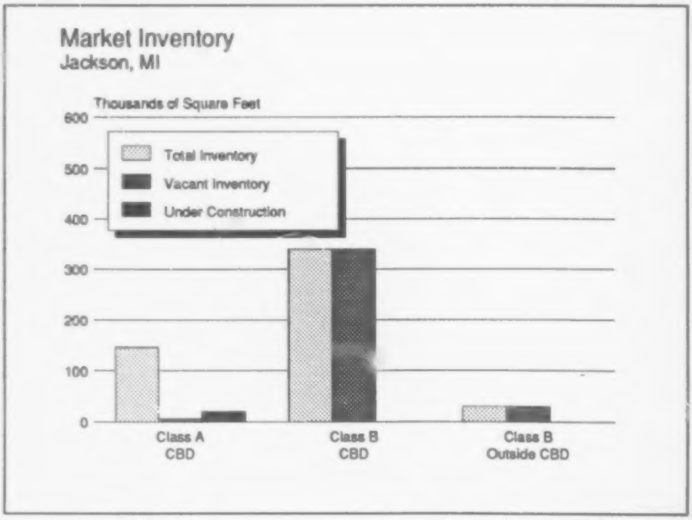
		Rank
Population:	149,961	10
Population Growth Rate:	-0.10%	8
Unemployment Rate:	7.80%	
Med. Household Income:	$28,875	75
Cost of Living Index:	n/a	n/a

1990 REVIEW

As a small city located in the state most dominated by automobile manufacturing, Jackson's economy fell with that of the state. Larger cities, such as Ann Arbor and Grand Rapids with more critical mass and amenities that attract business service firms have diversified successfully. However, in the national recession these cities have suffered as well. In downtown Jackson, the limited available space in Class "A" buildings is largely overshadowed by the 86 percent vacant, 395,000 sq. ft. Class "B" Commonwealth Building, the city's largest office complex. SIOR's observer reports that the surplus of office space and the minimal demand make it difficult to fill properties with lease rates of $7 to $12 per sq. ft. or more. While tenants can be found to lease space at $5 to $6 per sq. ft., these low-end leases provide little return to the building owner.

1991 FORECAST

With minimal construction underway, little change is forecast for the coming year. With the state's low education levels, large supply of skilled workers who have only specialized skills, and high union wage rates, Jackson and the state will have a difficult time attracting employers. Change will therefore be very slow for this market through the Nineties.



Jackson, Mississippi: Office

Jackson, Mississippi

Market Data

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	3,000,000	6,000,000	-	-
Vacant	400,000	900,000	-	-
Vacancy Rate	13.3%	15.0%	-	-
Vacant Sublease	100,000	50,000	-	-
Under Construction	0	50,000	-	-
Substantial Rehab	n/a	n/a	-	-
Net Absorption	-50,000	-300,000	-	-
Rental Rates ($/sf)				
Lowest	12.00	11.00	8.00	7.00
Highest	17.00	15.00	10.00	9.00
Weighted Average	14.00	13.00	9.00	8.00
Sales Prices ($/sf)				
Lowest	40.00	30.00	30.00	20.00
Highest	70.00	60.00	50.00	50.00
Weighted Average	55.00	45.00	40.00	45.00

Utility Rates: CBD $1.25 per sf
Outside CBD $1.25 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 250 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $13.50 per sf, typically based on dollars per square foot

Operating Cost Escalation: Stop - $3.00 - $4.00

Rate of Return: 11.00%

Cumulative Discount Rate: 15%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Signing Bonuses
- Club Memberships

Leasing Activity Profile

Major Activity

Minor Activity
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Finance/Banking
- Engineering/Architecture
- Government
- Energy

Outlook

Absorption		Same
Construction		Same
Vacancies		Down 5%
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	Same
	Outside CBD	Same
	Class B CBD	Same
	Outside CBD	Same

Demographics

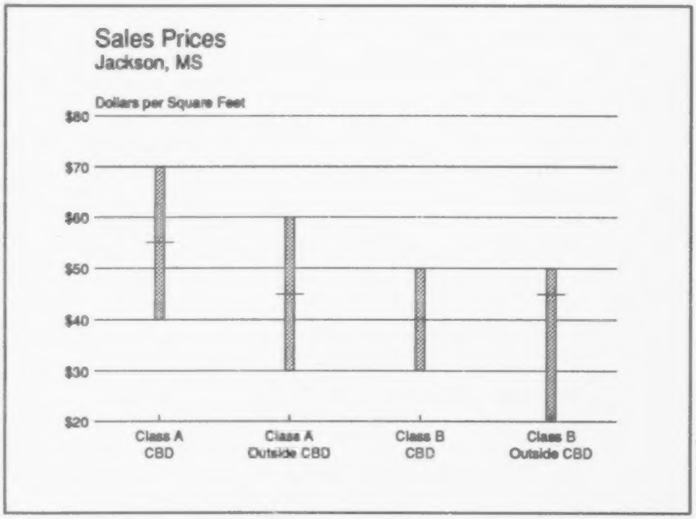
		Rank
Population:	402,168	92
Population Growth Rate:	1.06%	
Unemployment Rate:	5.30%	10
Med. Household Income:	$24,054	1
Cost of Living Index:	n/a	n/a

1990 Review

As the state capital, Jackson has a large and stable government employment sector that helps to insulate the MSA from cyclical downturns. Jackson's manufacturing sector is less than half the size of the state's, resulting in limited reliance on manufacturing and greater economic stability. The general decline in the rural economy is helping to increase population growth through rural-to-urban immigration of young workers. The more educated workers become part of Jackson's growing financial services sector. Demand for office space principally comes from the expansion needs of local tenants, and little relocation activity from outside the area has occurred recently. Vacancy rates rose slightly. Rents are economical and landlord concessions of 10 to 20 percent reduce occupancy costs even more.

1991 Forecast

SIOR's reporter expects vacancies to decline in 1991 and construction activity is limited. Only projects with substantial preleasing commitments are likely to go forward this year. Jackson will again outperform the state of Mississippi's averages for economic growth this year. This local economic health will help the MSA weather the national recession, keeping the office market generally stable in 1991.



JACKSONVILLE, FLORIDA: OFFICE

Jacksonville MSA

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	6,139,153	4,408,655	2,583,446	1,687,722
Vacant	1,205,594	594,061	212,523	421,876
Vacancy Rate	19.6%	13.5%	8.2%	25.0%
Vacant Sublease	67,000	n/a	n/a	n/a
Under Construction	0	125,000	0	0
Substantial Rehab	0	1,090,000	0	0
Net Absorption	-45,250	650,060	32,472	81,000
Rental Rates ($/sf)				
Lowest	16.00	12.00	8.50	7.50
Highest	23.00	18.00	14.00	13.50
Weighted Average	n/a	n/a	n/a	n/a
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $1.35 per sf
Outside CBD $1.48 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 500 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $16.00 per sf, typically based on quantity of materals

Operating Cost Escalation: Stop - $4.75 - $5.50

Rate of Return: 9.70%

Cumulative Discount Rate: 13%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Interior Improvements

Leasing Activity Profile

Major Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Business Services
- Finance/Banking
- Government

Minor Activity
- Sales
- Engineering/Architecture

OUTLOOK

Absorption		Up 15%
Construction		Same
Vacancies		Down 12%
Rental Rates		Up 10%
Landlord Concessions		Down 5%
Sales Prices	Class A CBD	Up 10%
	Outside CBD	Up 10%
	Class B CBD	Up 10%
	Outside CBD	Up 10%

DEMOGRAPHICS

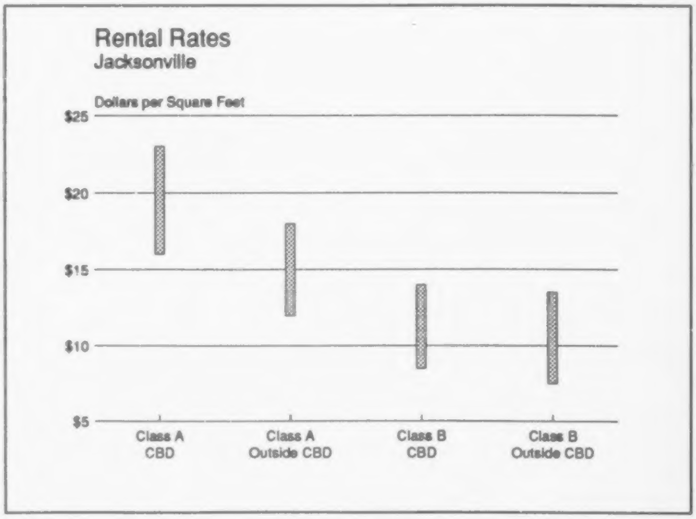
		Rank
Population:	962,066	53
Population Growth Rate:	2.91%	
Unemployment Rate:	5.60%	
Med. Household Income:	$28,853	76
Cost of Living Index:	96.9	56

1990 REVIEW

Jacksonville's importance as a financial and service center for northern Florida and parts of Georgia and Alabama fueled substantial employment growth in the 1980s. This market has captured significant relocations by providing a low cost environment for business, especially for back-office operations. Suburban Class "A" space captured 90 percent of the market's net absorption. Downtown saw plenty of new space come on line with Paragon's Barnett Bank Tower and Rouse's Jacksonville Center just as consolidations and relocations shrunk demand from financial tenants. The overall vacancy rate for the Jacksonville office market stands at 16.4 percent.

1991 FORECAST

The real estate development business will suffer from the impact of the Growth Management Act and the requirement for fees based upon each development's impact. This regulation will increase the costs of future development. For 1991, SIOR's Jacksonville reporter expects absorption levels to pick up causing a drop in vacancies and an increase in rental rates. Look for an announcement by Merrill Lynch regarding a new operations center which could ultimately take about 1.5 million sq. ft. of space at Deerwood Park.



JOHNSON CITY-KINGSPORT-BRISTOL, TENNESSEE/VIRGINIA: Office

Bristol TN-VA, Kingsport, TN, and Johnson City, TN

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	n/a	n/a	n/a	n/a
Vacant	n/a	n/a	n/a	n/a
Vacancy Rate	n/a	n/a	n/a	n/a
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	n/a	n/a	n/a	n/a
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	n/a	n/a	n/a	n/a
Rental Rates ($/sf)				
Lowest	7.00	10.00	5.00	5.00
Highest	10.00	11.00	7.00	7.00
Weighted Average	8.50	10.50	6.00	6.00
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD n/a
Outside CBD n/a
n/a

Parking Ratio: CBD - 1 per 1,000 sf
Outside CBD - 1 per 1,000 sf

Standard Work Letter: typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 9.50%

Cumulative Discount Rate: n/a

Landlord Concessions
- Parking
- Lease Assumptions
- Interior Improvements

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Business Services
- Finance/Banking

Minor Activity
- Fortune 500 Firms
- Sales
- Engineering/Architecture
- Government
- Energy

OUTLOOK

Absorption		Up 5-10%
Construction		Up 10-15%
Vacancies		Same
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	Same
	Outside CBD	Same
	Class B CBD	Same
	Outside CBD	Same

DEMOGRAPHICS

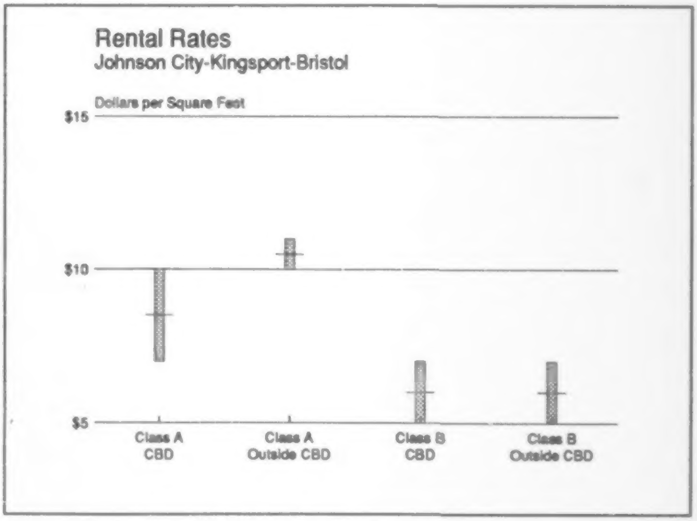
		Rank
Population:	453,351	86
Population Growth Rate:	0.45%	
Unemployment Rate:	4.60%	10
Med. Household Income:	$24,035	2
Cost of Living Index:	n/a	n/a

1990 REVIEW

The Tri-Cities area refers to the Johnson City-Kingsport-Bristol metropolitan area located in Tennessee and Virginia. It is a manufacturing, distribution, and educational center. The metro area is isolated from Tennessee's more active markets and declines in manufacturing and construction are expected to slow its economy. According to SIOR's local researcher the Tri-Cities area is not a strong office market. Most Class "A" office buildings are owned and managed by financial institutions. There has been consistent demand for well-located Class "B" space and build-to-suit demand for Class "A." Rental rates, mostly under $10 per sq. ft., are among the lowest in the nation.

1991 FORECAST

The outlook for the Tri-Cities office market is stable with signals of future improvement. Absorption is expected to pick up modestly spurring increased construction levels. All other market indicators are projected to be steady.



KANSAS CITY, MISSOURI/KANSAS: OFFICE

Kansas City, Missouri

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	4,500,000	12,750,000	6,000,000	6,800,000
Vacant	500,000	1,300,000	1,200,000	700,000
Vacancy Rate	11.1%	10.2%	20.0%	10.3%
Vacant Sublease	100,000	110,000	100,000	80,000
Under Construction	740,000	460,000	0	0
Substantial Rehab	0	0	200,000	50,000
Net Absorption	355,000	1,150,000	234,000	260,000
Rental Rates ($/sf)				
Lowest	16.00	16.00	6.50	10.00
Highest	23.50	22.50	15.00	16.50
Weighted Average	19.00	18.00	10.50	14.00
Sales Prices ($/sf)				
Lowest	n/a	80.00	15.00	25.00
Highest	n/a	115.00	45.00	75.00
Weighted Average	n/a	95.00	30.00	68.00

Utility Rates: CBD $2.00-2.15 per sf
Outside CBD $1.50-1.75 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 1,000 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $21.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year and Stop - $5.00

Rate of Return: n/a

Cumulative Discount Rate: 10-16%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Design Services

Leasing Activity Profile

Major Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Finance/Banking
- Engineering/Architecture
- Government
- Energy

OUTLOOK

Absorption		Same
Construction		Down
Vacancies		Down
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	Down
	Outside CBD	Down
	Class B CBD	Down
	Outside CBD	Down

DEMOGRAPHICS

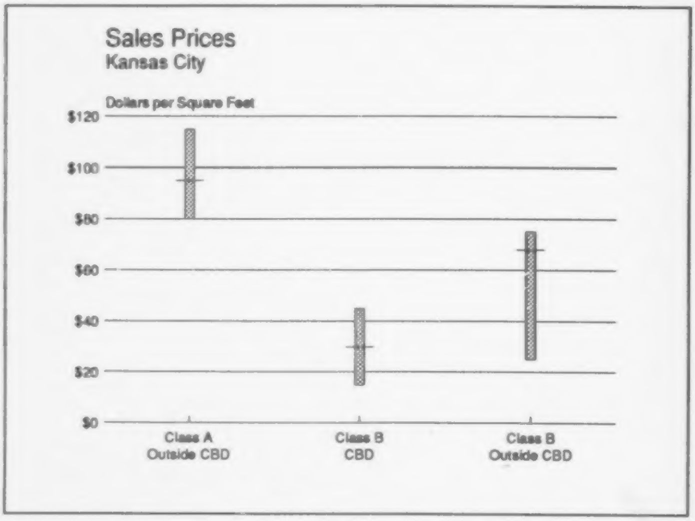
		Rank
Population:	1,597,342	28
Population Growth Rate:	1.09%	
Unemployment Rate:	5.10%	
Med. Household Income:	$32,175	36
Cost of Living Index:	n/a	n/a

1990 REVIEW

Demand for office space was strong in 1990 with approximately two million sq. ft. absorbed. U.S. Sprint and DST, a division of Kansas City Southern, accounted for 300,000 sq. ft. of leasing in 1990. Kansas City has some of the lowest vacancy rates in the country at 10 percent for Class "A" space in the MSA and 15 percent for Class "B" space. The MSA enjoys a healthy diversity of industries for a midwestern city that was once dependent on agriculture. The mix includes automobile manufacturing, defense contractors, food processing, printing and publishing, and wholesale trade. Major employers include J.C. Penney and three communications companies, AT&T, United Telecom, and Southwestern Bell which have headquarters in Kansas City. A well-educated labor force, below average unemployment, and moderate wages provide a good environment for growth.

1991 FORECAST

Despite the national recession, the outlook for the Kansas City economy in 1991 is cautiously optimistic. At recent absorption levels, the addition of 1.2 million sq. ft. of new space would be absorbed during the first year. Even if this sunny outlook is tempered by an adverse turn, Kansas City is solidly positioned for the 90s. Given the present uncertainty, rental rates are projected to remain flat with landlord concessions of 10 to 16 percent.



KNOXVILLE, TENNESSEE: Office

Knoxville, Tennessee

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	960,000	320,000	3,560,000	4,470,000
Vacant	174,000	157,000	418,000	530,000
Vacancy Rate	18.1%	49.1%	11.7%	11.9%
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	280,000	32,000	n/a	n/a
Substantial Rehab	0	0	n/a	n/a
Net Absorption	45,000	140,000	56,000	300,000
Rental Rates ($/sf)				
Lowest	15.00	13.50	3.30	3.00
Highest	16.75	16.50	14.00	13.50
Weighted Average	15.50	14.00	8.40	8.25
Sales Prices ($/sf)				
Lowest	n/a	n/a	6.00	n/a
Highest	54.00	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $2.00 per sf
Outside CBD $1.50 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 0 sf
Outside CBD - 1 per 200 sf

Standard Work Letter: $20.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Stop

Rate of Return: n/a

Cumulative Discount Rate: n/a

Landlord Concessions
- Rental Abatement
- Interior Improvements

Leasing Activity Profile

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Engineering/Architecture

OUTLOOK

Absorption	Same
Construction	Down 10%
Vacancies	Same
Rental Rates	Same
Landlord Concessions	Same
Sales Prices Class A CBD	Same
Outside CBD	Same
Class B CBD	Same
Outside CBD	Same

DEMOGRAPHICS

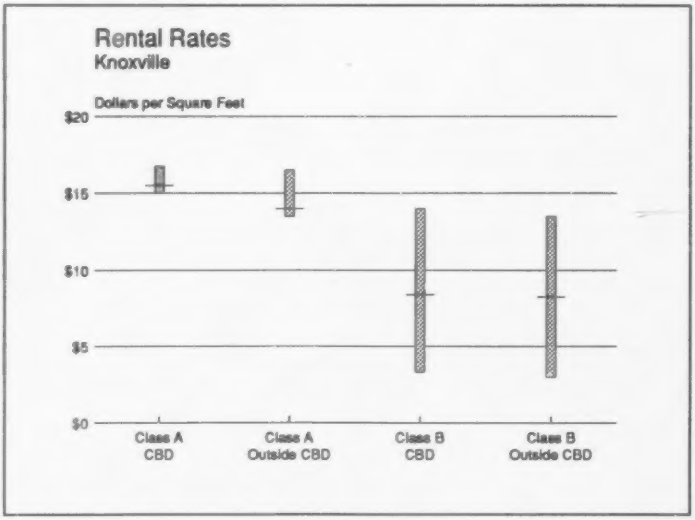
		Rank
Population:	602,702	73
Population Growth Rate:	0.63%	
Unemployment Rate:	4.30%	10
Med. Household Income:	$24,971	0
Cost of Living Index:	93.7	69

1990 REVIEW

The surplus of office space in the CBD and suburbs of Knoxville is slowly but steadily being absorbed. Net absorption levels were up to 541,000 sq. ft. a 30 percent improvement over 1989. The overall vacancy rate dropped from 18.1 percent last year to 13.7 percent this year. Boasting strong communication technology and fiber optics, Knoxville has attracted several firms for their telemarketing business. This office market offers only a small quantity of Class "A" space as 86 percent of the total inventory is Class "B" space.

1991 FORECAST

The outlook for the Knoxville office market is flat for 1991. According to SIOR's Knoxville respondent, construction may decrease moderately and all other market indicators should remain consistent with last year. The service sector is expected to provide a stable source of additional employment growth that may bring further improvement to the office market. The limited Class "A" space should remain at a premium rental rate of five dollars per sq. ft. above the Class "B" space.



LAFAYETTE, INDIANA: OFFICE

Lafayette, Indiana

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	n/a	n/a	n/a	n/a
Vacant	10,000	n/a	30,000	n/a
Vacancy Rate	n/a	n/a	n/a	n/a
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	0	0	0	0
Substantial Rehab	n/a	n/a	90,000	n/a
Net Absorption	n/a	n/a	n/a	n/a
Rental Rates ($/sf)				
Lowest	n/a	8.00	n/a	6.00
Highest	n/a	10.50	n/a	8.50
Weighted Average	n/a	9.00	n/a	6.50
Sales Prices ($/sf)				
Lowest	n/a	60.00	n/a	40.00
Highest	n/a	100.00	n/a	65.00
Weighted Average	n/a	75.00	n/a	50.00

Utility Rates: CBD n/a
Outside CBD $2.50 per sf
Separately Metered

Parking Ratio: CBD - -
Outside CBD - 1 per 200 sf

Standard Work Letter: n/a

Operating Cost Escalation: Base Year

Rate of Return: 11.50%

Cumulative Discount Rate: n/a

Landlord Concessions
- Parking
- Rental Abatement
- Interior Improvements

Leasing Activity Profile

Major Activity
- Business Services
- Sales
- Finance/Banking

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Engineering/Architecture
- Government
- Energy

OUTLOOK

Absorption		Down 5-10%
Construction		Down 5-10%
Vacancies		Same
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	Down 3-5%
	Outside CBD	Down 3-5%
	Class B CBD	Down 3-5%
	Outside CBD	Down 3-5%

DEMOGRAPHICS

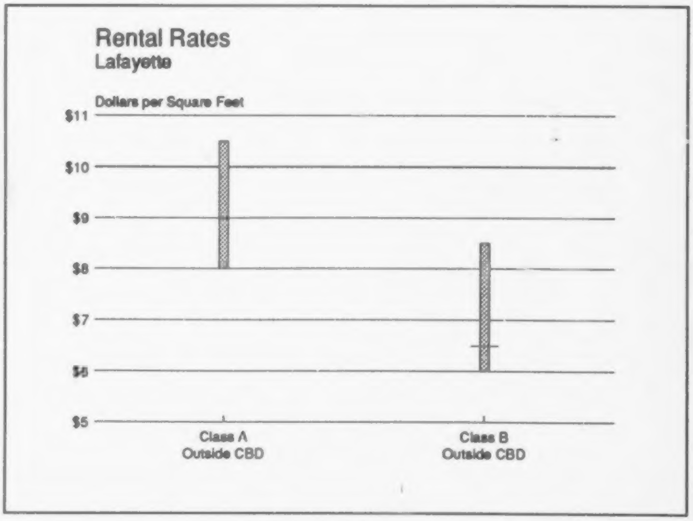
		Rank
Population:	125,867	11
Population Growth Rate:	0.34%	0
Unemployment Rate:	2.00%	
Med. Household Income:	$26,523	87
Cost of Living Index:	102.5	31

1990 REVIEW

The transplant operations of Subaru-Isuzu will spur further development of the transportation and service infrastructure of Lafayette. Weak sales, however, make the plant one of the more vulnerable of the Japanese auto plants in the United States. According to SIOR's observer, the Lafayette office market is weak with relatively high vacancies. Demand for office space has decreased.

1991 FORECAST

The national slow down will find its way to Lafayette as net absorption levels are down five to 10 percent in 1991. Construction is also expected to drop by the same degree. Look for flat vacancy and rental rates and sales prices to decline.



LANSING, MICHIGAN: OFFICE

Greater Lansing, Michigan

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	1,400,000	1,350,000	1,600,000	1,300,000
Vacant	75,000	110,000	260,000	140,000
Vacancy Rate	5.4%	8.1%	16.3%	10.8%
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	0	n/a	n/a	n/a
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	20,000	20,000	20,000	10,000
Rental Rates ($/sf)				
Lowest	14.50	12.50	8.00	8.50
Highest	18.75	17.00	12.00	15.00
Weighted Average	16.00	15.00	10.00	12.00
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $1.50 per sf
Outside CBD $1.25 per sf
Not Separately Metered

Parking Ratio: CBD - n/a
Outside CBD - 1 per 200 sf

Standard Work Letter: $11.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 10.00%

Cumulative Discount Rate: 10-20%

Landlord Concessions
- Rental Abatement
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Finance/Banking
- Engineering/Architecture
- Government

Minor Activity
- Fortune 500 Firms
- Energy

OUTLOOK

Absorption		Same
Construction		Down 20%
Vacancies		Up 1-3%
Rental Rates		Same
Landlord Concessions		Up 20%
Sales Prices	Class A CBD	n/a
	Outside CBD	n/a
	Class B CBD	n/a
	Outside CBD	n/a

DEMOGRAPHICS

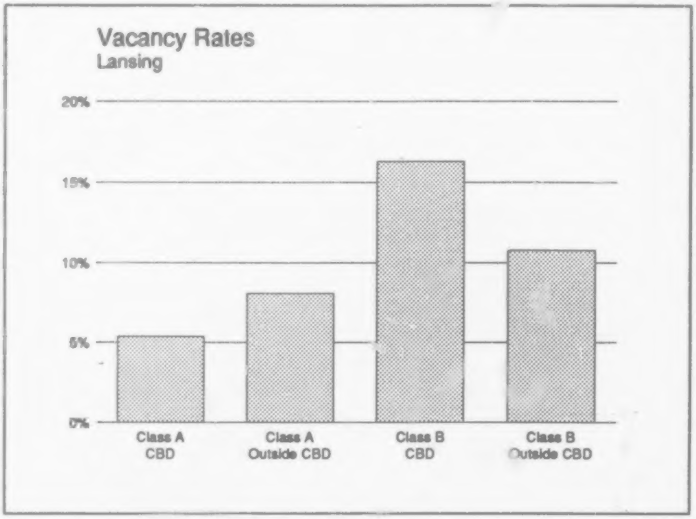
		Rank
Population:	432,204	89
Population Growth Rate:	0.29%	
Unemployment Rate:	5.40%	
Med. Household Income:	$31,646	44
Cost of Living Index:	107.5	16

1990 REVIEW

The three major employers in Lansing are the state government, Michigan State University, and GM Buick-Oldsmobile-Cadillac. The office market, which contains almost 5.7 million sq. ft. of space, had difficulty absorbing the first projects of the 635,000 sq. ft. of speculative development in the pipeline. This development is concentrated in the downtown and eastside. Overall vacancies rose from one of the nation's lowest rates at 3.3 percent in 1989 to 10.4 percent in 1990. Older CBD properties suffered the hardest blow. Significant leasing activity occurred in the Class "A" CBD sector on behalf of the state of Michigan. A 420,000 sq. ft. office project came on-line with the state leasing most of the building. It is important to note that SIOR's local researcher did not include the nature of the tenancy.

1991 FORECAST

Rising prices at the gas tanks have renewed consumer preference for smaller cars, which may hurt GM's Buick-Oldsmobile-Cadillac operations. State government is an insulating force, but mounting fiscal pressures are demanding attention. Very little new development is planned at this time which should keep overbuilding in check. Absorption, however, is not expected to pick up in light of the national situation. Before the end of this year, vacancies will edge up one to three percentage points.



LAS VEGAS, NEVADA: Office

Market Data

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	1,365,875	908,915	2,047,312	1,365,980
Vacant	124,295	104,525	296,860	256,805
Vacancy Rate	9.1%	11.5%	14.5%	18.8%
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	600,000	183,000	n/a	112,000
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	54,000	145,350	100,260	150,390
Rental Rates ($/sf)				
Lowest	17.40	18.00	16.80	16.20
Highest	27.00	24.00	18.00	17.40
Weighted Average	22.20	21.00	17.40	16.80
Sales Prices ($/sf)				
Lowest	100.00	80.00	60.00	50.00
Highest	150.00	100.00	80.00	75.00
Weighted Average	125.00	90.00	70.00	62.50

Utility Rates: CBD $1.80 per sf
Outside CBD $1.45 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 500 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $20.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Stop - $4.00 - $4.50

Rate of Return: 11.00%

Cumulative Discount Rate: 13.5%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Interior Improvements

Leasing Activity Profile

Major Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Finance/Banking
- Engineering/Architecture

Minor Activity
- Government
- Energy

Outlook

Absorption		Same
Construction		Up 20%
Vacancies		Up 10%
Rental Rates		Up 5%
Landlord Concessions		Up 10%
Sales Prices	Class A CBD	Up 25%
	Outside CBD	Up 25%
	Class B CBD	Up 20%
	Outside CBD	Up 20%

Demographics

		Rank
Population:	688,861	64
Population Growth Rate:	4.05%	
Unemployment Rate:	4.60%	
Med. Household Income:	$29,508	70
Cost of Living Index:	107.1	17

1990 Review

Las Vegas ranked top among the nation's fastest growing MSAs in personal income and employment. Its expansion continues at an astounding pace due to a thriving gaming and recreation sector. Las Vegas' office market has gained strength from the ongoing relocation and expansion plans of companies attracted by the favorable tax and economic growth climates. The overall vacancy rate stands at 13.7 percent. A particular weakness exists in the Class "B" sector where a vacancy rate of 16.2 percent was registered. Strong foreign investment has occurred in all sectors. Average sales prices range between $62.50 and $125 per sq. ft.

1991 Forecast

Las Vegas' economy is expected to cool as declining consumer confidence and spending negatively affect the large tourism sector. SIOR's observer anticipates vacancies to rise in 1991 as speculative development continues to come to the market. Almost 900,000 sq. ft. of office space was under construction in 1991. Landlord concessions should begin to rise, creating a favorable move-up environment. Look for moderate to strong demand for sales of buildings as cost structures become more liberal.

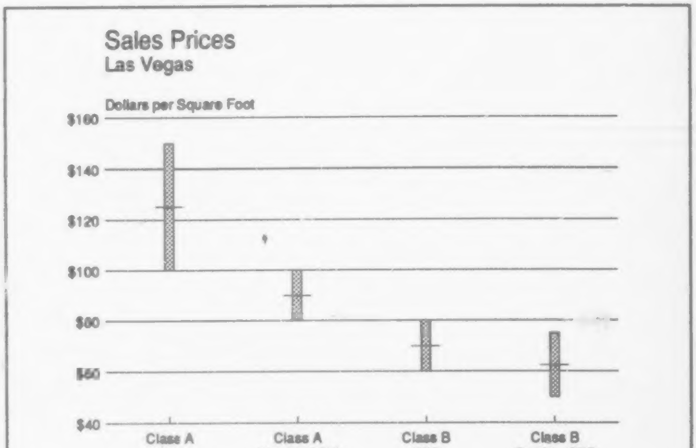


Photo courtesy of Little Rock Bureau for Conventions and Visito

Little Rock, Arkansas: Office

Little Rock, Arkansas

Market Data

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	2,548,000	1,769,000	932,000	887,000
Vacant	428,600	276,000	233,000	144,000
Vacancy Rate	16.8%	15.6%	25.0%	16.2%
Vacant Sublease	0	0	0	0
Under Construction	0	0	0	0
Substantial Rehab	0	0	0	0
Net Absorption	99,000	68,000	39,400	44,000
Rental Rates ($/sf)				
Lowest	10.00	11.50	8.00	6.25
Highest	19.00	26.50	14.00	13.00
Weighted Average	14.40	16.06	11.25	10.09
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD n/a
Outside CBD n/a
Not Separately Metered

Parking Ratio: CBD - 1 per 500 sf
Outside CBD - 1 per 200 sf

Standard Work Letter: $10.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: n/a

Cumulative Discount Rate: 10%

Landlord Concessions
- Parking
- Rental Abatement
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Legal/Accounting

Minor Activity
- Insurance
- Business Services
- Government

1990 Review

Arkansas' economy has been under performing the nation, and the national recession has further impeded Little Rock's economic performance. A bright spot is that the state capital relies less on manufacturing and more on trade, health-care services, and state and local government for economic growth. The office market showed promising signs of improvement in 1990. The overall vacancy rate dropped almost three percentage points to 17.6 percent. Net absorption showed particular strength with over 250,000 sq. ft. of activity, a robust gain in this 6.1 million sq. ft. market. This was especially good news for the Class "B" market which experienced negative net absorption in 1989.

1991 Forecast

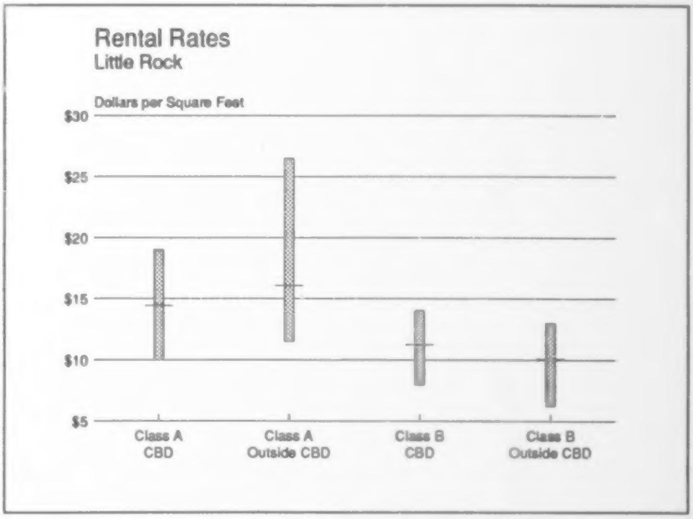
SIOR's Little Rock observer anticipates further tightening of the office market in 1991. With no speculative construction underway and absorption levels expected to be on par with last year, vacancy rates should continue to decline. Rental rates and landlord concessions should remain unchanged allowing Little Rock to maintain a competitive pricing edge over other office markets. The recession, of course, is a wildcard which could defer growth. The market fundamentals, though, are much improved for Little Rock's office economy.

Outlook

Absorption		Same
Construction		Same
Vacancies		Down 15%
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	n/a
	Outside CBD	n/a
	Class B CBD	n/a
	Outside CBD	n/a

Demographics

		Rank
Population:	530,592	77
Population Growth Rate:	1.12%	
Unemployment Rate:	6.10%	
Med. Household Income:	$26,387	89
Cost of Living Index:	96.0	60



Los Angeles-Central, California: Office

Downtown Los Angeles

Market Data

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	14,186,682	-	8,847,266	-
Vacant	2,376,919	-	1,650,004	-
Vacancy Rate	16.8%	-	18.6%	-
Vacant Sublease	656,991	-	433,398	-
Under Construction	3,970,250	-	-	-
Substantial Rehab	200,000	-	n/a	-
Net Absorption	500,000	-	n/a	-
Rental Rates ($/sf)				
Lowest	24.00	-	19.00	-
Highest	33.00	-	28.00	-
Weighted Average	28.00	-	24.50	-
Sales Prices ($/sf)				
Lowest	175.00	-	125.00	-
Highest	275.00	-	150.00	-
Weighted Average	255.00	-	138.00	-

Utility Rates: CBD $1.85 per sf
Outside CBD n/a
Not Separately Metered

Parking Ratio: CBD - 1 per 1,000 sf
Outside CBD - n/a

Standard Work Letter: $30.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year and Stop - $9.50

Rate of Return: n/a

Cumulative Discount Rate: n/a

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Signing Bonuses

Leasing Activity Profile

Major Activity
- Entertainment
- Oil Companies

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Finance/Banking
- Engineering/Architecture
- Government & Energy

Outlook

Absorption		Same
Construction		Down 20%
Vacancies		Up
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	Down
	Outside CBD	n/a
	Class B CBD	Same
	Outside CBD	n/a

Demographics

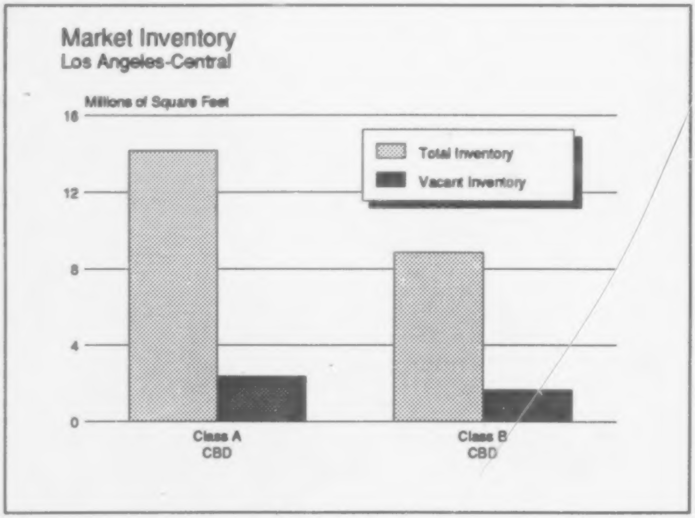
		Rank
Population:	8,710,996	1
Population Growth Rate:	1.54%	
Unemployment Rate:	6.10%	
Med. Household Income:	$34,891	21
Cost of Living Index:	124.8	5

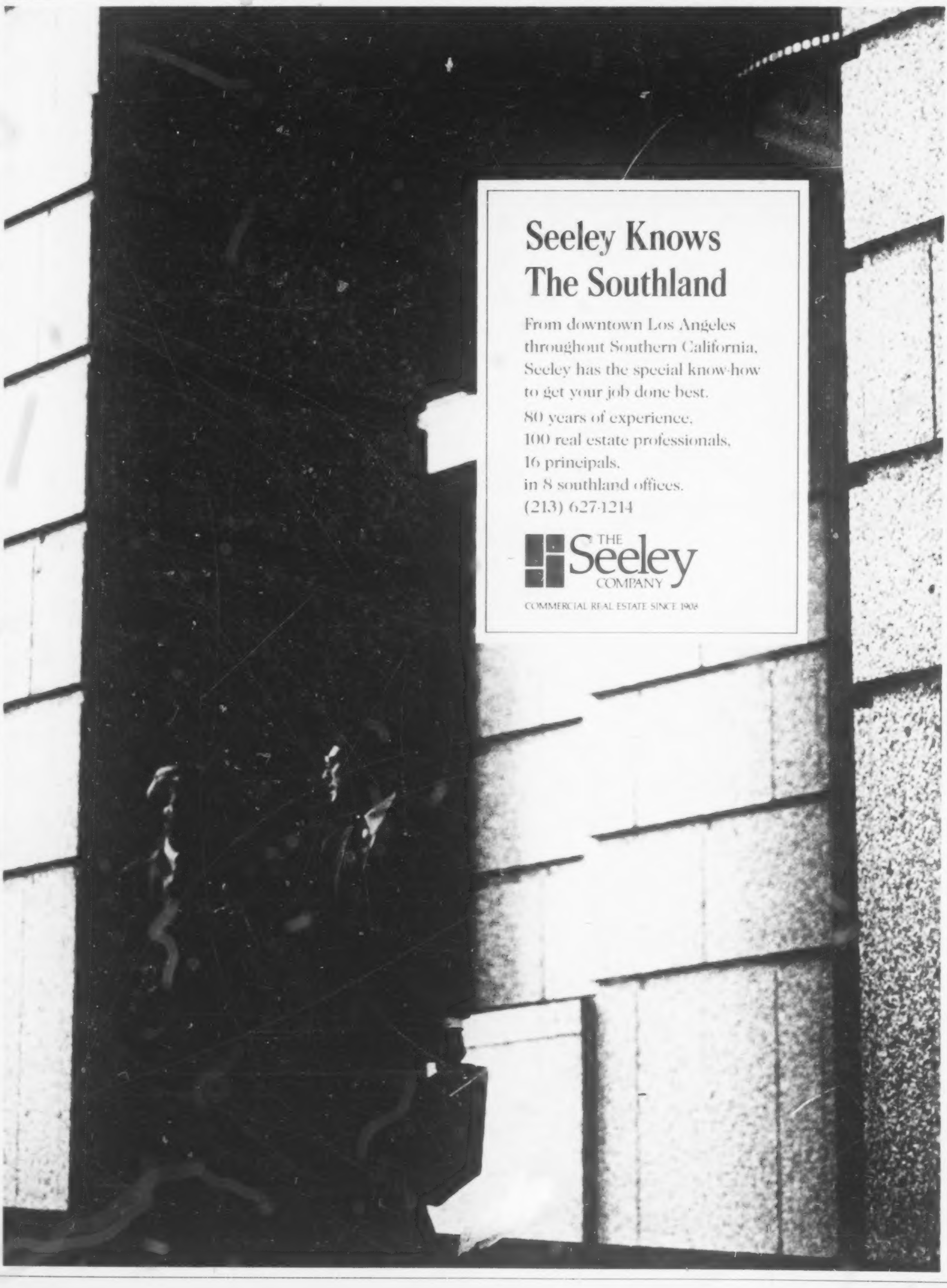
1990 Review

Net absorption in the CBD slowed in 1990 and vacancy rates surged with delivery of over 2.2 million sq. ft. of new space. The inventory of sublease space is growing as tenants already located upgrade into the newest buildings. Rental rates remained flat with numerous concessions expected by tenants. Developers with projects in the planning stages face many hurdles including transfer of air rights (TFAR), sewer connection, Air Quality Management District (AQMD) concerns, parking, traffic, and growth restrictions in gaining approval for their projects. Many new developments have been postponed in the softer and more complicated market.

1991 Forecast

New construction of almost four million sq. ft. is expected to be delivered in 1991. Vacancy rates are expected to increase with this additional influx of space. Rental rates are expected to remain flat at best with generous concessions. The CBD will be challenged to attract tenants from outside the CBD to fill the exceptional volume of new office space.





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Los Angeles-Orange County, California: Office

Los Angeles-Orange County

Market Data

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	51,533,838	n/a	n/a	n/a
Vacant	10,832,687	n/a	n/a	n/a
Vacancy Rate	21.0%	n/a	n/a	n/a
Vacant Sublease	957,482	n/a	n/a	n/a
Under Construction	2,987,900	n/a	n/a	n/a
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	2,043,281	n/a	n/a	n/a
Rental Rates ($/sf)				
Lowest	21.00	19.80	18.60	17.40
Highest	33.00	24.00	21.00	19.80
Weighted Average	24.00	20.40	19.00	18.00
Sales Prices ($/sf)				
Lowest	160.00	130.00	110.00	90.00
Highest	300.00	240.00	160.00	120.00
Weighted Average	200.00	160.00	130.00	110.00

Utility Rates: CBD $1.20 per sf
Outside CBD $1.20 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 250 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $26.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 9.30%

Cumulative Discount Rate: 20%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Signing Bonuses
- Club Memberships

Leasing Activity Profile

Major Activity
- Insurance
- Business Services
- Government

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Sales
- Finance/Banking
- Engineering/Architecture
- Energy

Outlook

Absorption		Down 25%
Construction		Same
Vacancies		Down 2%
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	Down 10%
	Outside CBD	Down 20%
	Class B CBD	Down 10%
	Outside CBD	Down 20%

Demographics

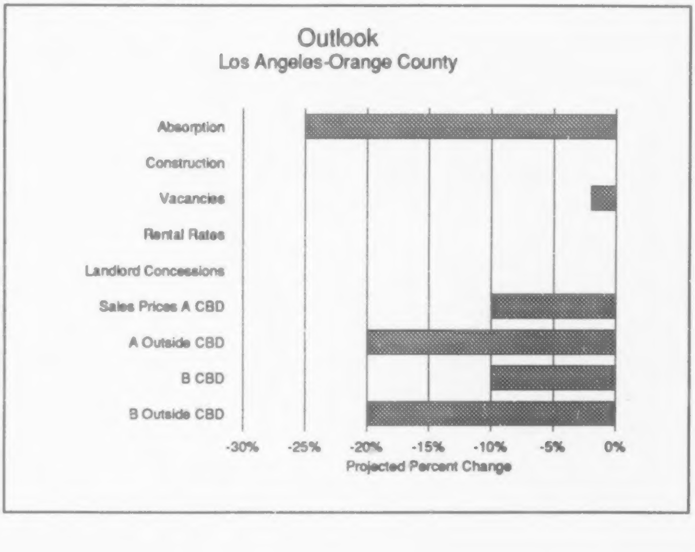
		Rank
Population:	2,315,911	18
Population Growth Rate:	1.83%	
Unemployment Rate:	3.80%	
Med. Household Income:	$44,158	7
Cost of Living Index:	128.8	3

1990 Review

The Orange County office market experienced net absorption close to 1989 levels. The overall office vacancy rate once again hovered around 21 percent. A factor contributing to this level of vacancy is the continued pace of new construction with absorption strong but not showing substantial growth. The airport area continues to dominate the county with over 24 million sq. ft. of space. Asking lease rates remained generally flat. Effective rates decreased slightly with aggressive landlord concessions being offered. Projects under construction include almost 3 million sq. ft. of space of which only 35 percent has been preleased.

1991 Forecast

The office market is expected to have a decrease in overall absorption but the vacancy rate is expected to remain in the low 20 percent range. Rental rates are not expected to change from the previous year and aggressive concessions are projected in order to sign deals. Over 11.9 million sq. ft. of office space is planned for the future in addition to the projects currently under construction. These could increase the existing inventory by 29 percent. However, due to financing difficulties and zoning and land use restrictions, many of these projects may not ever break ground.



Los Angeles-San Bernardino County, California: Office

CBD: Ontario and Rancho Cucamonga; Outside CBD: Rest of San Bernardino County

Market Data

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	912,933	1,227,472	1,682,289	1,692,853
Vacant	499,828	294,462	267,231	785,521
Vacancy Rate	54.7%	24.0%	15.9%	46.4%
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	400,000	n/a	80,000	n/a
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	37,676	n/a	176,692	n/a
Rental Rates ($/sf)				
Lowest	19.80	17.40	13.20	12.00
Highest	24.00	21.00	19.80	18.00
Weighted Average	21.00	19.20	17.16	15.60
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $0.20 per sf
Outside CBD n/a
Not Separately Metered

Parking Ratio: CBD - 1 per 250 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $19.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year and Stop - $5.00

Rate of Return: 9.00%

Cumulative Discount Rate: n/a

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Business Services
- Sales

Minor Activity
- Fortune 500 Firms
- Finance/Banking
- Engineering/Architecture
- Government
- Energy

Outlook

Absorption		Down
Construction		Down
Vacancies		Up
Rental Rates		Same
Landlord Concessions		Up
Sales Prices	Class A CBD	Down
	Outside CBD	n/a
	Class B CBD	Down
	Outside CBD	n/a

Demographics

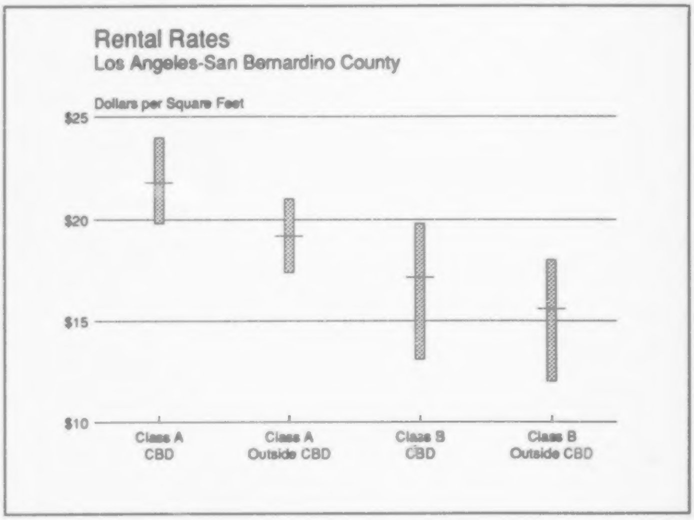
		Rank
Population:	2,429,463	15
Population Growth Rate:	4.54%	
Unemployment Rate:	7.80%	
Med. Household Income:	$29,213	71
Cost of Living Index:	n/a	n/a

1990 Review

San Bernardino County experienced the same symptoms of softness as other markets in the Los Angeles region. Absorption fell, vacancy rates increased, and new construction lagged the previous year. Quoted rental rates remained approximately at the same level as 1989; however, landlord concessions increased as competition for tenants escalated. Firms relocating from the central Los Angeles basin to the Inland Empire in order to capitalize upon the affordable housing and lesser congestion remain the primary engine of office market demand for the county.

1991 Forecast

A second consecutive below-trend year is forecast for San Bernardino, a disappointing lull for the local real estate industry. Both construction and relocation activity will be off, and vacancies are expected to rise. Tenants will be able to negotiate aggressively in this environment. San Bernardino County has enormous capacity to sustain long-term growth, especially for companies seeking satellite offices in the L.A. area. As an office market, it is quite young and subject to the volatility characteristic of those early in their development.



Los Angeles-San Fernando Valley, California: Office

Los Angeles-San Fernando Valley, California

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	-	14,640,000	-	5,400,000
Vacant	-	2,230,000	-	780,000
Vacancy Rate	-	15.2%	-	14.4%
Vacant Sublease	-	340,000	-	111,000
Under Construction	-	833,000	-	568,000
Substantial Rehab	-	243,000	-	88,000
Net Absorption	-	1,050,000	-	369,000
Rental Rates ($/sf)				
Lowest	-	23.00	-	18.00
Highest	-	29.00	-	23.50
Weighted Average	-	26.50	-	21.50
Sales Prices ($/sf)				
Lowest	-	205.00	-	141.00
Highest	-	295.00	-	191.00
Weighted Average	-	260.00	-	170.00

Utility Rates: CBD n/a
Outside CBD $1.35 per sf
Not Separately Metered

Parking Ratio: CBD - -
Outside CBD - 1 per 300 sf

Standard Work Letter: $25.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year and Stop - $6.00 - $7.00

Rate of Return: 9.50%

Cumulative Discount Rate: 12-14%

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Insurance
- Defense Industry

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Sales
- Engineering/Architecture
- Government

OUTLOOK

Absorption	Up 10%
Construction	Down 15%
Vacancies	Down 10%
Rental Rates	Same
Landlord Concessions	Up 5%
Sales Class A CBD	n/a
Prices Outside CBD	Down 10%
Class B CBD	n/a
Outside CBD	Down 15%

DEMOGRAPHICS

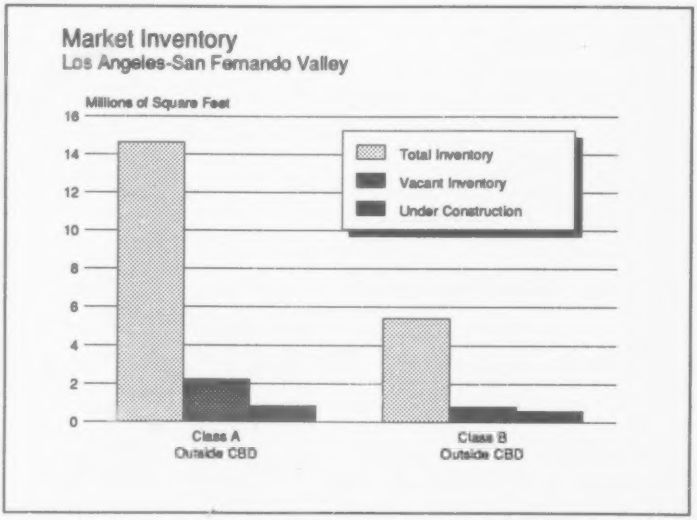
		Rank
Population:	8,710,996	1
Population Growth Rate:	1.54%	
Unemployment Rate:	6.10%	
Med. Household Income:	$34,891	21
Cost of Living Index:	124.8	5

1990 REVIEW

Office demand in 1990 was steady as net absorption for Class "A" space was over one million sq. ft. Vacancy in the market decreased to 15.2 percent for Class "A" space and 14.4 percent for Class "B" space. Rental rates fell slightly with increases in landlord concessions evident. The defense industry's growth momentum in the San Fernando Valley began to dissipate in the latter portion of the year. Entertainment, insurance, and law firms were still major players in the office market.

1991 FORECAST

The overall forecast for 1991 by SIOR's observer is mixed. On the positive side are projected increases in absorption and a decrease in vacancies. Construction is expected to decrease as financing is extremely tough in the marketplace. Defense and related contractors are expected to be downsizing their operations and/or relocating to the south where costs of both labor and housing are cheaper. The San Fernando Valley is expected to weather the recession fairly well due to its very diverse office market tenant profile.



Los Angeles-San Gabriel Valley, California: Office

Los Angeles-San Gabriel Valley

Market Data

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	-	3,250,000	-	4,400,000
Vacant	-	450,000	-	500,000
Vacancy Rate	-	13.8%	-	11.4%
Vacant Sublease	-	20,000	-	40,000
Under Construction	-	180,000	-	50,000
Substantial Rehab	-	n/a	-	n/a
Net Absorption	-	600,000	-	100,000
Rental Rates ($/sf)				
Lowest	-	18.00	-	13.20
Highest	-	24.00	-	17.40
Weighted Average	-	21.00	-	15.60
Sales Prices ($/sf)				
Lowest	-	110.00	-	75.00
Highest	-	150.00	-	110.00
Weighted Average	-	135.00	-	90.00

Utility Rates: CBD n/a
Outside CBD $1.44-1.80 per sf
Not Separately Metered

Parking Ratio: CBD - n/a
Outside CBD - 1 per 250 sf

Standard Work Letter: $23.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Stop - $5.40 - $6.00

Rate of Return: 8.70%

Cumulative Discount Rate: 12%

Landlord Concessions
- Rental Abatement
- Interior Improvements

Leasing Activity Profile

Major Activity
- Insurance
- Business Services
- Sales
- Finance/Banking
- Engineering/Architecture
- Government
- Real Estate

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Energy

Outlook

Absorption			Down 25%
Construction			Down 40%
Vacancies			Same
Rental Rates			Same
Landlord Concessions			Up 3%
Sales Prices	Class A	CBD	n/a
		Outside CBD	Same
	Class B	CBD	n/a
		Outside CBD	Same

Demographics

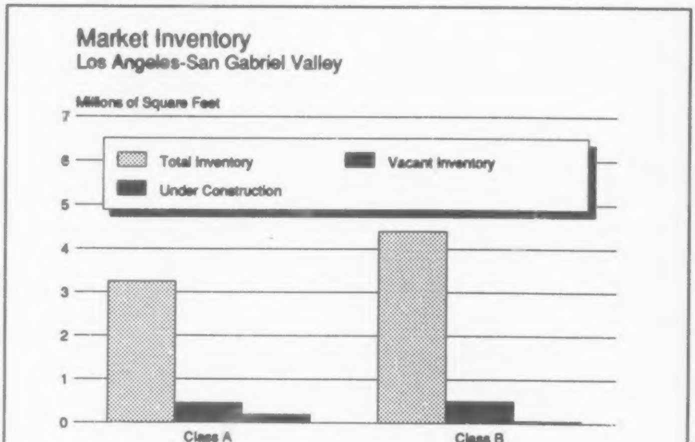
		Rank
Population:	8,710,996	1
Population Growth Rate:	1.54%	
Unemployment Rate:	6.10%	
Med. Household Income:	$34,891	21
Cost of Living Index:	124.8	5

1990 Review

Steady demand for office space characterized the San Gabriel Valley office market in 1990. The Class "A" vacancy rate fell 9.8 percent and the Class "B" vacancy rate fell 2.6 percent. This marked a turnaround of exceptionally soft conditions in this suburban Los Angeles market. Corporations and small firms are slowly making the transition to the area to take advantage of the affordable housing, easier commute, and free parking. Asking rental rates did not change from the previous year. Increases in rental concessions helped tenants to move into the area.

1991 Forecast

The office market is expected to stabilize after a favorable 1990. Minimal new construction is expected as financing for suburban office construction is very difficult to acquire. Though absorption is expected to decrease, vacancies are expected to remain stable. The office market will continue to compete with the other Los Angeles suburban office markets offering an easier commute and free parking. As the year begins, this submarket is among the healthiest in the L.A. region.



Los Angeles-South Bay, California: Office

Los Angeles - South Bay California

Market Data

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	n/a	15,514,781	n/a	12,414,776
Vacant	n/a	3,794,183	n/a	2,966,284
Vacancy Rate	n/a	24.5%	n/a	23.9%
Vacant Sublease	n/a	522,215	n/a	310,507
Under Construction	n/a	770,710	n/a	0
Substantial Rehab	n/a	0	n/a	0
Net Absorption	n/a	541,215	n/a	-250,475
Rental Rates ($/sf)				
Lowest	n/a	13.20	n/a	10.20
Highest	n/a	36.00	n/a	29.52
Weighted Average	n/a	23.16	n/a	18.36
Sales Prices ($/sf)				
Lowest	n/a	175.00	n/a	100.00
Highest	n/a	250.00	n/a	150.00
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD n/a
Outside CBD $1.80 per sf
Not Separately Metered

Parking Ratio: CBD - n/a
Outside CBD - 1 per 250 sf

Standard Work Letter: $30.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 9.00%

Cumulative Discount Rate: 20-30%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Business Services
- Sales
- Finance/Banking
- Government
- Transportation

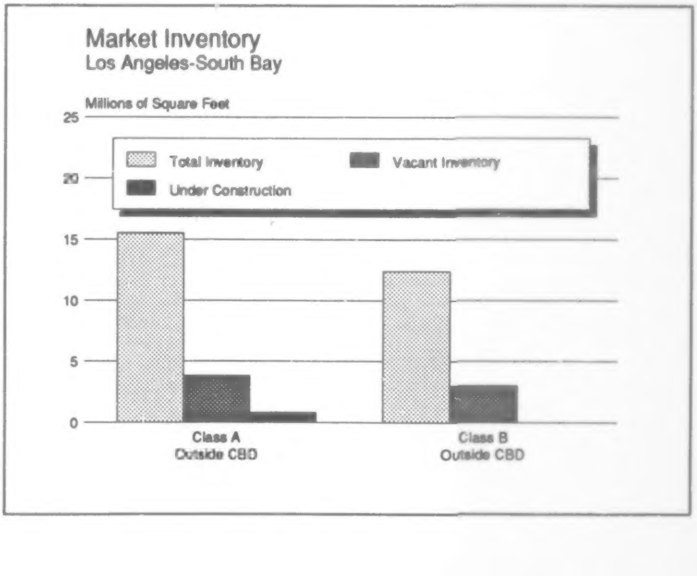
Minor Activity
- Fortune 500 Firms
- Insurance
- Engineering/Architecture

Outlook

Absorption		Down 5%
Construction		Down 50%
Vacancies		Up 1-5%
Rental Rates		Down 10%
Landlord Concessions		Up 10%
Sales Prices	Class A CBD	n/a
	Outside CBD	Down 10-20%
	Class B CBD	n/a
	Outside CBD	Down 10-20%

Demographics

		Rank
Population:	8,710,996	1
Population Growth Rate:	1.54%	
Unemployment Rate:	6.10%	
Med. Household Income:	$34,891	21
Cost of Living Index:	124.8	5



1990 Review

Notable increases in vacancy rates distressed the South Bay office market. Class "A" space incurred approximately a 4.2 percent increase in vacancy, while the Class "B" space incurred a 7.7 percent increase in vacancy excluding sublease space available. Total inventory additions for the year were only 288,265 sq. ft. The increased vacancy in this significant Los Angeles metropolitan office market is primarily due to defense cutbacks and slashed governmental spending causing aerospace consolidations and uncertainty and skepticism for the industry's future. Lease rates have not fallen significantly since 1989, rental concessions are a very generous 20 to 30 percent of base rent.

1991 Forecast

The future of the South Bay office market is highly dependent on the uncertain defense industry. Overall, vacancy is expected to increase and absorption is expected to decrease in 1991. Rental rates are projected to soften as the demand for space slackens. Positive influences for the market are expected to come from the West Los Angeles tenant movement to the South Bay as tenants seek rents that are typically 20 to 50 percent lower than they currently pay.

LOS ANGELES-WEST, CALIFORNIA: OFFICE

Los Angeles-West

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	-	32,400,000	-	16,400,000
Vacant	-	5,600,000	-	2,900,000
Vacancy Rate	-	17.3%	-	17.7%
Vacant Sublease	-	1,700,000	-	900,000
Under Construction	-	1,900,000	-	250,000
Substantial Rehab	-	300,000	-	900,000
Net Absorption	-	n/a	-	n/a
Rental Rates ($/sf)				
Lowest	-	23.40	-	16.20
Highest	-	47.40	-	27.00
Weighted Average	-	32.10	-	22.55
Sales Prices ($/sf)				
Lowest	-	170.00	-	110.00
Highest	-	450.00	-	290.00
Weighted Average	-	n/a	-	n/a

Utility Rates: CBD n/a
Outside CBD $1.87 per sf
Not Separately Metered

Parking Ratio: CBD - n/a
Outside CBD - 1 per 333 sf

Standard Work Letter: $35.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year and Stop - $8.75

Rate of Return: 7.00%

Cumulative Discount Rate: 15-20%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Entertainment

Minor Activity
- Legal/Accounting
- Business Services
- Sales
- Government

OUTLOOK

Absorption	Down 5%
Construction	Down 30%
Vacancies	Up 5%
Rental Rates	Same
Landlord Concessions	Up 5%
Sales Prices Class A CBD	n/a
Outside CBD	Down 5%
Class B CBD	n/a
Outside CBD	Down 5%

DEMOGRAPHICS

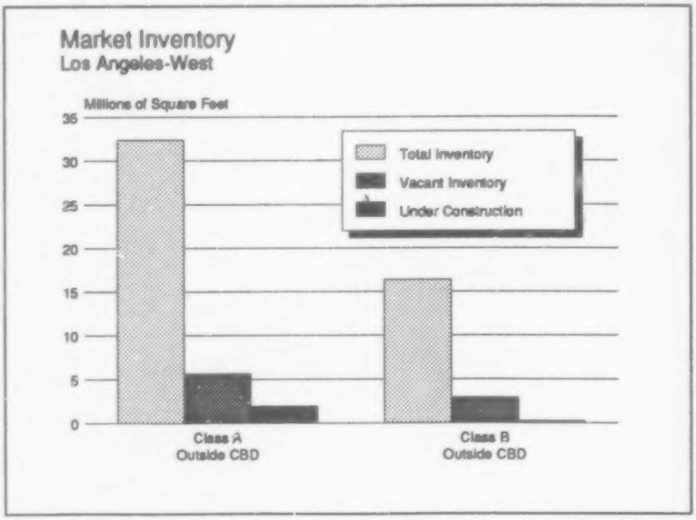
		Rank
Population:	8,710,996	1
Population Growth Rate:	1.54%	
Unemployment Rate:	6.10%	
Med. Household Income:	$34,891	21
Cost of Living Index:	124.8	5

1990 REVIEW

The West Los Angeles office market experienced a significant increase in its overall vacancy rate in 1990. Numerous factors influenced this increase including delivery of approximately 1.8 million sq. ft. of new office space. Corporate relocations outside the area, savings and loan failures, and investment banking failures brought back large amounts of previously leased space. The weighted average rental rates of the West L.A. market declined slightly in 1990 but are still the highest of all the office markets in the greater Los Angeles area. Sales activity slowed, with pension funds and Japanese investors mostly observing the market from the sidelines.

1991 FORECAST

New construction starts for 1991 are expected to be the lowest in ten years. Additionally, slow growth and no growth attitudes are increasingly adding to the difficulties for developers. Absorption is expected to decrease slightly in 1991 causing vacancy rates to inch upward. Competition from other markets in the greater Los Angeles area will hamper leasing activity. Rental rates are expected to remain flat. Expansion in the entertainment industry is expected; however, retrenching is occurring in most other sectors including legal, advertising, financial services, and real estate.



Louisville, Kentucky: Office

Louisville, Kentucky

Market Data

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	3,500,000	2,000,000	4,000,000	4,200,000
Vacant	120,000	240,000	560,000	575,000
Vacancy Rate	3.4%	12.0%	14.0%	13.7%
Vacant Sublease	25,000	40,000	50,000	60,000
Under Construction	550,000	200,000	0	20,000
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	30,000	60,000	70,000	35,000
Rental Rates ($/sf)				
Lowest	12.00	11.50	9.00	7.50
Highest	20.00	17.00	13.00	12.00
Weighted Average	16.00	14.50	11.00	9.00
Sales Prices ($/sf)				
Lowest	65.00	70.00	45.00	30.00
Highest	110.00	105.00	65.00	59.00
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $1.50 per sf
Outside CBD $1.10 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 1,500 sf
Outside CBD - 1 per 200 sf

Standard Work Letter: $16.50 per sf, typically based on dollars per square foot

Operating Cost Escalation: Stop - CBD: $5.50; Outside CBD: $4.25

Rate of Return: 10.00%

Cumulative Discount Rate: 15%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Signing Bonuses
- Club Memberships
- Cash Incentives

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Government
- Energy

Minor Activity
- Fortune 500 Firms
- Business Services
- Sales
- Finance/Banking
- Engineering/Architecture

Outlook

Absorption			n/a
Construction			Down 50%
Vacancies			Down 5%
Rental Rates			Up 15%
Landlord Concessions			Down 5%
Sales Prices	Class A	CBD	Up
		Outside CBD	Down
	Class B	CBD	Up
		Outside CBD	Down

Demographics

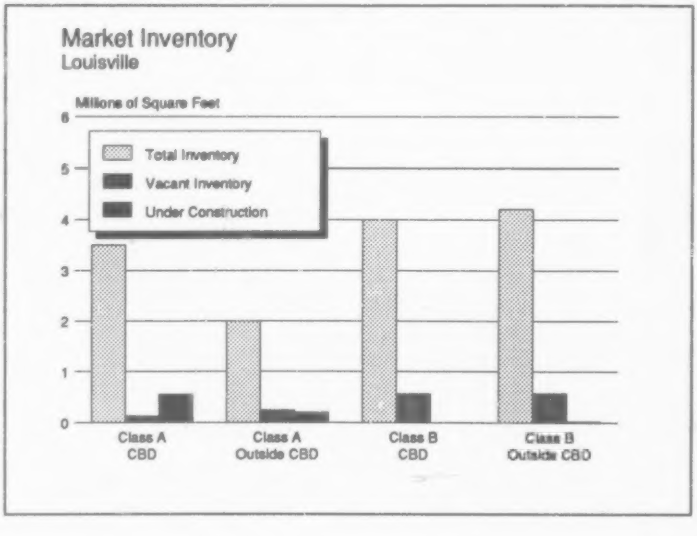
		Rank
Population:	1,028,432	45
Population Growth Rate:	0.73%	
Unemployment Rate:	5.70%	
Med. Household Income:	$27,184	84
Cost of Living Index:	94.6	65

1990 Review

Louisville straddles the western border of the Golden Triangle, a region circumscribed by three interstates and three MSAs, the others being Cincinnati, Ohio and Lexington, Kentucky. Louisville has increasingly become a regional hub for service industries, particularly health care. The Louisville office market was once again characterized in 1990 by slow but steady growth. The overall vacancy rate improved to 10.9 percent from 12.6 percent a year ago. A space squeeze is evident in downtown Class "A" buildings where the vacancy rate has dropped further to only 3.4 percent. Tightening market conditions have resulted in firmer effective rents as concession packages offer less in the way of cumulative discounts.

1991 Forecast

The Louisville office market should fare well again in 1991. The modern CBD office sector looks particularly strong as the year begins. Plans for new development include only build-to-suit deals or projects where at least 60 percent of the space is pre-leased. Restraint in new construction should serve to push rental rates up and vacancies down. In the suburbs, look for a trend toward a flex-type space that is 90 percent office and 10 percent warehouse with rents in the $10 per sq. ft. range to provide additional leasing options.



MARIN AND SONOMA COUNTIES, CALIFORNIA: Office

Marin and Sonoma Counties, California

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	-	2,131,000	-	6,608,000
Vacant	-	181,200	-	570,700
Vacancy Rate	-	8.5%	-	8.6%
Vacant Sublease	-	76,000	-	68,000
Under Construction	-	140,000	-	14,000
Substantial Rehab	-	n/a	-	160,000
Net Absorption	-	93,000	-	110,000
Rental Rates ($/sf)				
Lowest	-	17.40	-	12.00
Highest	-	31.20	-	22.20
Weighted Average	-	22.80	-	16.80
Sales Prices ($/sf)				
Lowest	-	121.00	-	103.00
Highest	-	265.00	-	150.00
Weighted Average	-	160.00	-	129.00

Utility Rates: CBD n/a
Outside CBD $1.45 per sf
Not Separately Metered

Parking Ratio: CBD - -
Outside CBD - 1 per 275 sf

Standard Work Letter: $23.00 per sf, typically based on quantity of materals

Operating Cost Escalation: Base Year

Rate of Return: 9.00%

Cumulative Discount Rate: 10%

Landlord Concessions
- Rental Abatement
- Interior Improvements

Leasing Activity Profile

Major Activity
- Finance/Banking
- Computer Software

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Engineering/Architecture
- Government
- Energy

OUTLOOK

Absorption			Down 25%
Construction			Down 60%
Vacancies			Same
Rental Rates			Same
Landlord Concessions			Down 5%
Sales	Class A	CBD	n/a
Prices		Outside CBD	Same
	Class B	CBD	n/a
		Outside CBD	Same

DEMOGRAPHICS

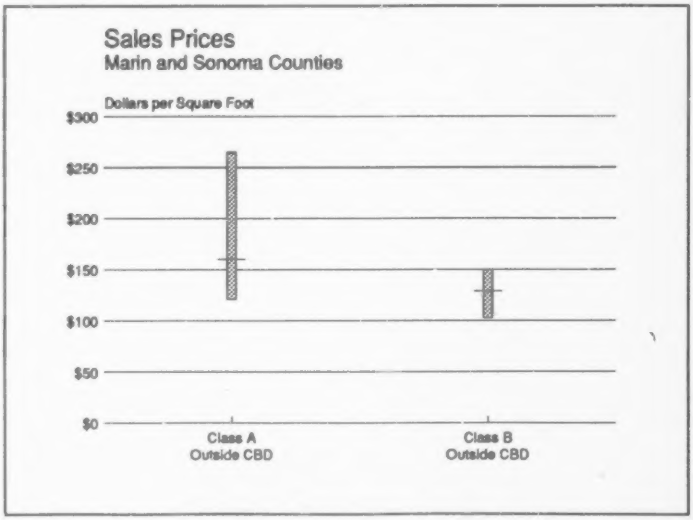
		Rank
Population:	352,360	99
Population Growth Rate:	1.63%	
Unemployment Rate:	4.30%	
Med. Household Income:	$31,941	41
Cost of Living Index:	n/a	n/a

1990 REVIEW

Marin and Sonoma Counties are located north of San Francisco. According to SIOR's observers Marin County is nearly built out and almost fully occupied, while Sonoma County continues to accommodate relocations from office markets to the south. These two counties contain over 8.7 million sq. ft. of office space and register a healthy vacancy rate of 8.6 percent. Financial services and computer software dominate the local economy and firms involved in these businesses provide most of the leasing activity.

1991 FORECAST

With only 154,000 sq. ft. of new office space under construction in 1990 (1.8 percent of the existing inventory) the Marin and Sonoma office markets are not in jeopardy of losing balance in terms of supply and demand. Slow supply growth is appropriate as absorption levels are expected to be down in 1991. The outlook for vacancy and rental rates is flat. Future growth should be the result of expansion first in a revitalized computer industry, and eventually in a restructured financial services sector.



MELBOURNE/SOUTH BREVARD COUNTY, FLORIDA: OFFICE

South Brevard County-Melbourne/Palm Bay, Florida

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	-	756,348	-	-
Vacant	-	215,752	-	-
Vacancy Rate	-	28.5%	-	-
Vacant Sublease	-	-	-	-
Under Construction	-	35,000	-	-
Substantial Rehab	-	-	-	-
Net Absorption	-	28,596	-	-
Rental Rates ($/sf)				
Lowest	-	11.00	-	6.50
Highest	-	18.00	-	11.50
Weighted Average	-	14.50	-	9.00
Sales Prices ($/sf)				
Lowest	-	n/a	-	n/a
Highest	-	n/a	-	n/a
Weighted Average	-	65.00	-	45.00

Utility Rates: CBD n/a
Outside CBD $1.30 per sf
Separately Metered

Parking Ratio: CBD - n/a
Outside CBD - 1 per 300 sf

Standard Work Letter: $20.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: n/a

Cumulative Discount Rate: 8%

Landlord Concessions
- Rental Abatement
- Interior Improvements

Leasing Activity Profile

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Finance/Banking
- Government

OUTLOOK

Absorption		Up 15%
Construction		Same
Vacancies		Down 10%
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	n/a
	Outside CBD	Same
	Class B CBD	n/a
	Outside CBD	Same

DEMOGRAPHICS

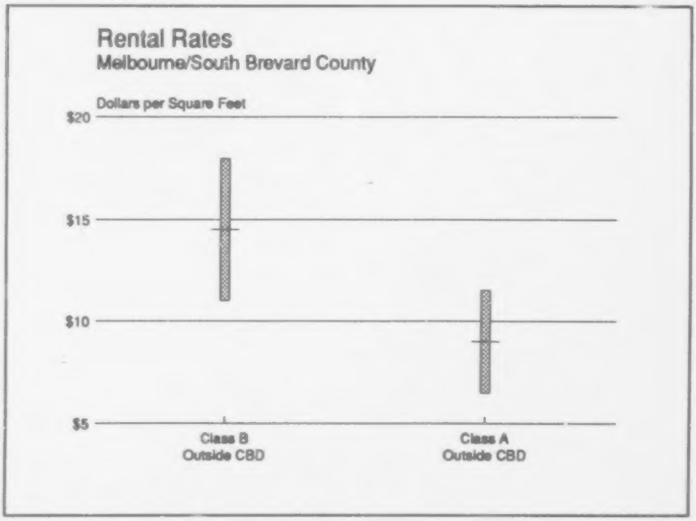
		Rank
Population:	442,133	87
Population Growth Rate:	4.94%	
Unemployment Rate:	5.70%	
Med. Household Income:	$31,573	46
Cost of Living Index:	n/a	n/a

1990 REVIEW

The regional economy of east central Florida is one of the most dynamic in the country with swift population growth and employment increases expected to average 3.7 percent for the 1989-1992 period. Brevard County remains on a strong and steady track. Key components of the economy include the space shuttle operations, the continued expansion in the electronics manufacturing fields, and the ever-increasing presence of software development companies. The vacancy rate for this small office market dropped over the year from 32.8 percent to 28.5 percent. Rental rates for Class "A" space have not changed while the rate for Class "B" space increased 75 cents per sq. ft.

1991 FORECAST

SIOR's observer expectes 1991 to be another year of improvement for the local office market. Absorption should be up approximately 15 percent spurring a further decline in the overall vacancy rate. The market is moving from speculative development to user oriented construction. Preleasing is now paramount in the development of any new office, retail, or industrial product. Companies within the market area continue to expand, backfilling existing space.



Memphis, Tennessee: Office

Memphis, Tennessee

Market Data

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	1,947,910	8,383,000	3,438,000	2,631,000
Vacant	185,000	1,253,581	1,139,713	473,711
Vacancy Rate	9.5%	15.0%	33.2%	18.0%
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	0	165,000	0	0
Substantial Rehab	0	0	0	0
Net Absorption	83,000	183,000	15,000	60,935
Rental Rates ($/sf)				
Lowest	12.00	14.00	9.00	9.00
Highest	17.50	20.00	14.50	15.00
Weighted Average	14.00	15.50	11.00	12.25
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $1.25 per sf
Outside CBD $1.25 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 1,000 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $17.50 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year and Stop - varies with property

Rate of Return: n/a

Cumulative Discount Rate: 20%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Club Memberships

Leasing Activity Profile

Major Activity

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Finance/Banking
- Engineering/Architecture
- Government

Outlook

Absorption		Down 20%
Construction		Down 75%
Vacancies		Same
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	Down 5%
	Outside CBD	Down 5%
	Class B CBD	Down 10%
	Outside CBD	Down 10%

Demographics

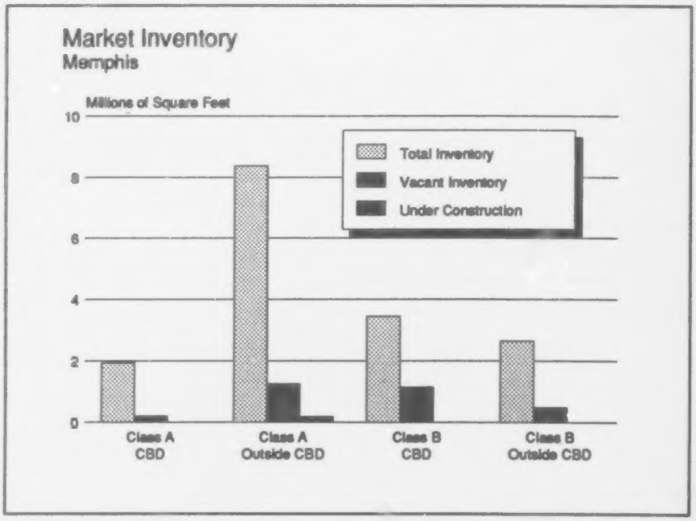
		Rank
Population:	980,557	50
Population Growth Rate:	0.71%	
Unemployment Rate:	4.80%	
Med. Household Income:	$26,396	88
Cost of Living Index:	93.6	70

1990 Review

Memphis is affected by both expansion and retrenchment elsewhere in the country, largely because of its role as a major national distribution center. In 1990 the office market was slow as downsizing and consolidations became common events. Net absorption levels were off almost 75,000 sq. ft. from last year and stood at 341,935 sq. ft. With 162,000 sq. ft. of new inventory, however, the market was able to register a decrease in the overall vacancy rate to 18.6 percent.

1991 Forecast

Two projects are due to come on-line in 1991. The first is an owner-user building which will have 100,000 sq. ft. and offer 50,000 sq. ft. for lease. The second is 65,000 sq. ft. and purely speculative. As the industrial/distribution market continues to grow, a positive trickle-down effect to the office market is anticipated. SIOR's local respondents indicate that there is a consensus that pent-up demand exists; however, it will take either a resolution of the Middle East situation or passage of legislation favorable to real estate to trigger this demand. In 1991 look for little change in vacancy and rental rates.



MIAMI, FLORIDA: OFFICE

Dade County

MARKET DATA

Inventory (sf)	Class A CBD	Class A Outside CBD	Class B CBD	Class B Outside CBD
Total	7,000,000	5,200,000	4,700,000	12,100,000
Vacant	1,850,000	1,150,000	1,400,000	1,100,000
Vacancy Rate	26.4%	22.1%	29.8%	9.1%
Vacant Sublease	600,000	100,000	400,000	100,000
Under Construction	250,000	700,000	0	150,000
Substantial Rehab	200,000	100,000	0	0
Net Absorption	-100,000	160,000	n/a	n/a
Rental Rates ($/sf)				
Lowest	26.00	16.00	15.00	11.00
Highest	34.00	22.00	22.00	18.00
Weighted Average	n/a	n/a	n/a	n/a
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $1.90 per sf
Outside CBD $1.[illegible] per sf
Separately Metered

Parking Ratio: CBD - 1 per 800 sf
Outside CBD - 1 per 500 sf

Standard Work Letter: $25.00 per sf, typically based on quantity of materials

Operating Cost Escalation: Base Year

Rate of Return: 10.00%

Cumulative Discount Rate: n/a

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile
Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Business Services
- Government

OUTLOOK

Absorption			Same
Construction			Same
Vacancies			Up 3%
Rental Rates			Down 5%
Landlord Concessions			Same
Sales Prices	Class A	CBD	Down 15%
		Outside CBD	Down 15%
	Class B	CBD	Down 15%
		Outside CBD	Down 15%

DEMOGRAPHICS

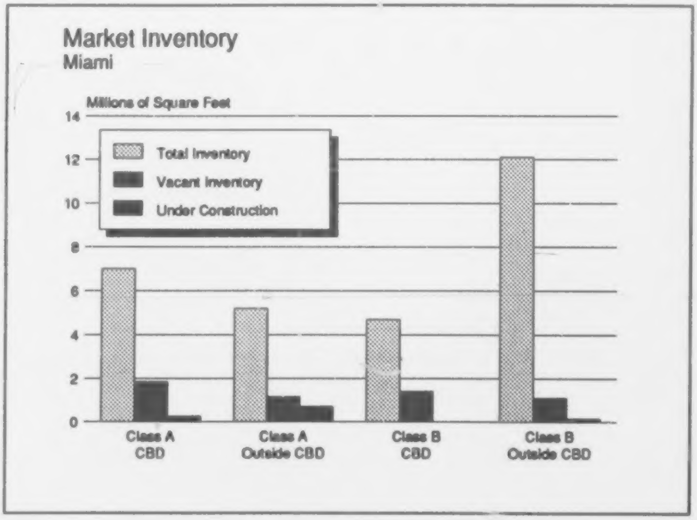
		Rank
Population:	1,917,277	24
Population Growth Rate:	1.66%	
Unemployment Rate:	7.00%	
Med. Household Income:	$28,263	79
Cost of Living Index:	111.7	12

1990 REVIEW

Miami's office market continued to suffer in 1990. The financial center of Florida, Miami has been hurt by the turmoil in the banking and thrift industries, and the weakness of south Florida's real estate companies. The bankruptcy filing of the General Development Corporation amid consumer fraud charges during 1990 was just another blow to an already weak office market. The overall vacancy rate stood at 19 percent with marginal net absorption. The CBD is especially weak with a vacancy rate over 27 percent along with one million sq. ft. of vacant sublease space. A positive note is that approximately 600,000 sq. ft. of space shown as under construction last year were shut down this year. This should provide a check on overbuilding.

1991 FORECAST

A rapid return to health is not expected for the Miami office market. In 1991 absoption levels will remain low forcing the vacancy rate up approximately three percentage points. The CBD should continue to see only lateral movement, much of it the result of down sizing. The suburbs are expected to be steadier with moderate in-migration. Look for rental rates to fall throughout all market sectors.


Market Inventory
Miami

MILWAUKEE, WISCONSIN: OFFICE

Metropolitan Milwaukee

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	4,570,000	1,220,000	6,642,347	7,067,940
Vacant	707,500	195,227	1,236,889	1,150,000
Vacancy Rate	15.5%	16.0%	18.6%	16.3%
Vacant Sublease	130,000	58,000	n/a	30,000
Under Construction	280,000	200,000	0	0
Substantial Rehab	0	0	0	0
Net Absorption	205,000	225,000	0	0
Rental Rates ($/sf)				
Lowest	18.03	14.00	9.00	10.50
Highest	28.00	17.00	15.00	13.00
Weighted Average	23.01	15.50	12.00	11.75
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $1.75 per sf
Outside CBD $1.75 per sf
Separately Metered

Parking Ratio: CBD - 1 per 1,000 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $21.00 per sf

Operating Cost Escalation: Stop - CBD: $9.00; Outside CBD: $5.00

Rate of Return: 10.00%

Cumulative Discount Rate: 27.5%

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Signing Bonuses

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance

Minor Activity
- Fortune 500 Firms
- Business Services
- Sales

OUTLOOK

Absorption			Same
Construction			Down 50%
Vacancies			Up 5%
Rental Rates			Same
Landlord Concessions			Same
Sales	Class A	CBD	Down 10%
Prices		Outside CBD	Down 10%
	Class B	CBD	Down 10%
		Outside CBD	Down 10%

DEMOGRAPHICS

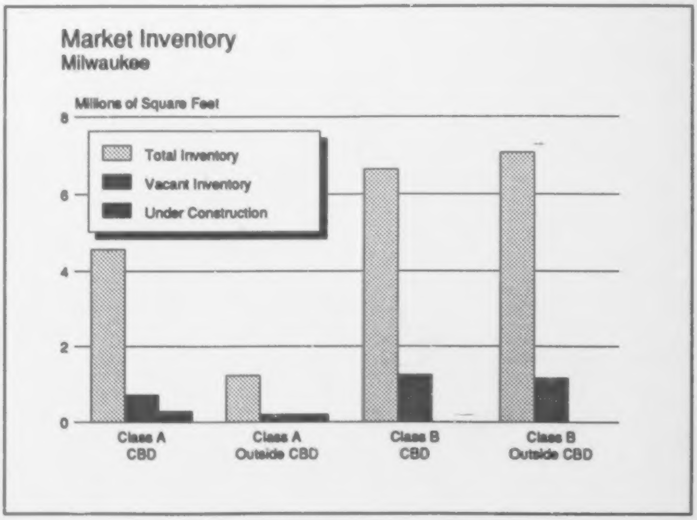
		Rank
Population:	1,400,995	35
Population Growth Rate:	0.03%	
Unemployment Rate:	3.50%	
Med. Household Income:	$32,870	31
Cost of Living Index:	102.5	30

1990 REVIEW

While Milwaukee has shared in Wisconsin's growth in recent years, its economy has begun to show signs of slowing down. SIOR's local observer reports that Milwaukee's real estate professionals learned a lot during the last recession. The office market may be on the verge of overbuilt conditions, but lenders have already begun to slow new development. No speculative space is under construction in the suburbs. One office tower was recently completed in the CBD with another to open in the fall of 1991. The overall vacancy rate stood at 16.9 percent in 1990 and net absorption levels slowed to 430,000 sq. ft. Concession packages were liberal, offering a cumulative discount of 27.5 percent.

1991 FORECAST

The Milwaukee office market will face difficult times in 1991. Absorption is not expected to show improvement from last year as employment growth slows. While the amount of new speculative development continues to decline, product will still come on-line forcing vacancies up as much as five percent. Rental rates and landlord concessions should show little change from last year's liberal conditions.



MINNEAPOLIS/ST. PAUL, MINNESOTA: Office

Minneapolis CBD

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	9,629,324	7,848,000	4,570,371	20,720,000
Vacant	1,122,354	1,702,822	945,760	4,221,500
Vacancy Rate	11.7%	21.7%	20.7%	20.4%
Vacant Sublease	100,000	n/a	n/a	n/a
Under Construction	3,200,000	n/a	n/a	105,000
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	94,000	610,000	76,000	638,000
Rental Rates ($/sf)				
Lowest	22.50	19.60	12.00	12.30
Highest	30.00	29.60	22.00	21.80
Weighted Average	26.64	24.00	17.90	16.49
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $8.24 per sf
Outside CBD $7.10 per sf
Separately Metered

Parking Ratio: CBD - -
Outside CBD - n/a

Standard Work Letter: $20.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Stop - $12.50

Rate of Return: n/a

Cumulative Discount Rate: 25%

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Fortune 500 Firms
- Legal/Accounting
- Business Services
- Finance/Banking

Minor Activity
- Insurance
- Sales
- Engineering/Architecture
- Government
- Energy
- Computer

OUTLOOK

Absorption		Up 100%
Construction		Down 100%
Vacancies		Up 5%
Rental Rates		Down 5%
Landlord Concessions		Up 5%
Sales	Class A CBD	Same
Prices	Outside CBD	Same
	Class B CBD	Same
	Outside CBD	Same

DEMOGRAPHICS

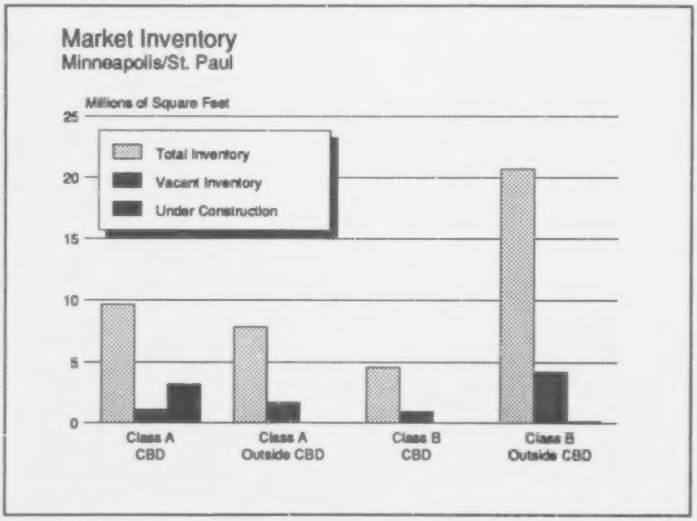
		Rank
Population:	2,367,931	17
Population Growth Rate:	1.03%	
Unemployment Rate:	4.40%	
Med. Household Income:	$37,308	15
Cost of Living Index:	99.7	45

1990 REVIEW

The Minneapolis office market is a victim of overbuilding, having nearly doubled its office inventory in the building boom of the late 1980s. Several large companies such as Honeywell, Unisys, and Control Data have already begun downsizing as the computer and defense industries undergo employment reductions. Absorption levels were, therefore, down once again contributing to the 18.7 percent overall vacancy rate. Landlords offer cumulative rental discounts of 25 percent. Over 3.3 million sq. ft. of new construction is underway. The timing may prove to be unwise.

1991 FORECAST

Over three million sq. ft. of Class "A" space in four towers will be added to an already soft market downtown. On the positive side, 57 percent of the new space is pre-leased and large companies moving to the CBD tend to attract smaller, affiliated companies with them. The difference between Class "A" and "B" rental rates will begin to close as rental rates decrease and concessions become more liberal. This could provide the impetus for companies to upgrade their space. SIOR's local reporter expects the overall vacancy rate to rise five percentage points in 1991.



NASHUA, NEW HAMPSHIRE: OFFICE

Nashua, New Hampshire

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	217,000	986,150	86,819	379,145
Vacant	24,138	146,952	19,394	119,112
Vacancy Rate	11.1%	14.9%	22.3%	31.4%
Vacant Sublease	6,000	7,178	0	0
Under Construction	0	0	0	0
Substantial Rehab	0	0	0	0
Net Absorption	34,174	123,010	-25,477	-84,005
Rental Rates ($/sf)				
Lowest	14.00	10.00	8.00	8.00
Highest	18.00	17.00	12.00	12.00
Weighted Average	16.90	12.84	10.76	9.39
Sales Prices ($/sf)				
Lowest	-	45.00	-	40.00
Highest	-	60.00	-	55.00
Weighted Average	-	50.00	-	45.00

Utility Rates: CBD $1.50 per sf
Outside CBD $1.50 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 500 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $25.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 11.50%

Cumulative Discount Rate: 15%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Interior Improvements

Leasing Activity Profile

Major Activity
- High Tech (Software)

Minor Activity
- Fortune 500 Firms
- Insurance
- Business Services
- Sales
- Engineering/Architecture
- Government

OUTLOOK

Absorption		Up 10%
Construction		Same
Vacancies		Down 10%
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	Same
	Outside CBD	Up 10%
	Class B CBD	Same
	Outside CBD	Same

DEMOGRAPHICS

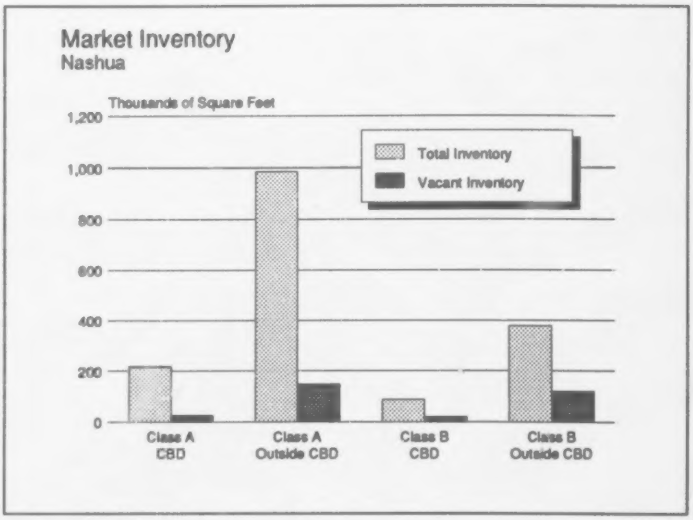
		Rank
Population:	183,526	10
Population Growth Rate:	2.56%	6
Unemployment Rate:	6.20%	
Med. Household Income:	$51,915	2
Cost of Living Index:	n/a	n/a

1990 REVIEW

Reflecting its proximity to the Boston area, tiny Nashua has become New Hampshire's center of high-tech industry and commerce. However, just as Nashua benefitted from New England's high-tech expansion in the early 1980s, the metro area now must bear the decline. The Nashua economy experienced negative employment growth for the past two years. In 1990 net absorption registered a mere 47,702 sq. ft. The Class "B" market experienced negative net absorption as tenants flocked to Class "A" space taking advantage of the liberal concession packages. The overall vacancy rate was able to drop from 20.8 percent last year to 18.6 percent this year as the market adjusted by pulling back on new construction.

1991 FORECAST

Nashua's office market should see marginal improvement in 1991. Activity from the medical and software sectors will provide significant strength in 1991. Job expansion is anticipated to push absorption levels up at least 10 percent. No plans for new speculative development are in the works. This will allow for decreasing vacancy rates. According to the Nashua local respondents, recent foreclosures in the Class "A" and condo markets will offer users excellent bargains in 1991.



NASHVILLE, TENNESSEE: Office

Nashville, Tennessee

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	3,385,035	6,158,111	1,559,857	5,056,704
Vacant	822,350	1,269,930	364,237	1,104,310
Vacancy Rate	24.3%	20.6%	23.4%	21.8%
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	0	0	0	0
Substantial Rehab	0	0	0	0
Net Absorption	-11,554	129,994	24,245	30,246
Rental Rates ($/sf)				
Lowest	12.75	15.50	12.50	10.00
Highest	26.00	19.00	16.00	13.00
Weighted Average	21.50	16.00	14.00	12.50
Sales Prices ($/sf)				
Lowest	75.00	67.00	40.00	45.00
Highest	135.00	115.00	80.00	90.00
Weighted Average	85.00	75.00	60.00	50.00

Utility Rates: CBD $1.60 per sf
Outside CBD $1.25 per sf
Not Separately Metered

Parking Ratio: CBD - n/a
Outside CBD - 1 per 300 sf

Standard Work Letter: $16.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Stop - $4.50-5.00 except major projects

Rate of Return: n/a

Cumulative Discount Rate: 20-25%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Interior Improvements

Leasing Activity Profile

Major Activity
- Insurance
- Business Services
- Music, Publishing

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Sales
- Engineering/Architecture
- Government

Outlook

Absorption		Same
Construction		Same
Vacancies		Down 3-5%
Rental Rates		Up 5-10%
Landlord Concessions		Down 10-15%
Sales Prices	Class A CBD	Same
	Outside CBD	Same
	Class B CBD	Same
	Outside CBD	Same

DEMOGRAPHICS

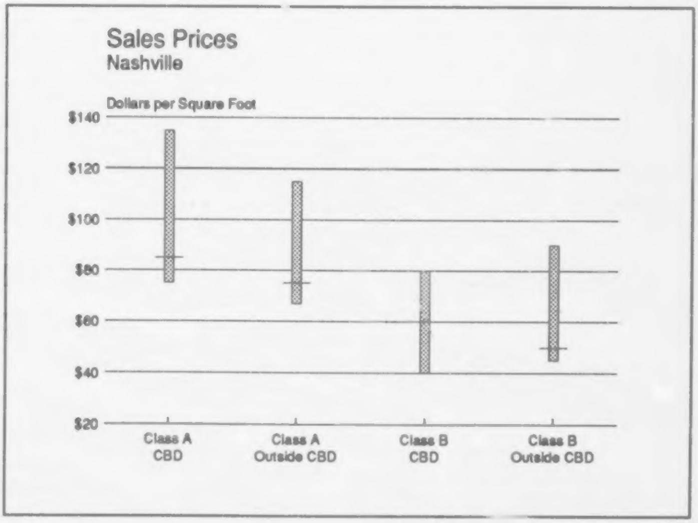
		Rank
Population:	983,127	49
Population Growth Rate:	1.46%	
Unemployment Rate:	4.30%	
Med. Household Income:	$30,647	55
Cost of Living Index:	98.4	48

1990 REVIEW

The Nashville economy has flagged after a very rapid expansion in the mid-1980s. The office market witnessed a surge of speculative overbuilding and vacancy rates consequently are high in today's slower growth environment. New office starts averaged 1.8 million sq. ft. between 1984 and 1989. Currently, no speculative developments are underway. Overall, vacancy stands at 22 percent. Net absorption levels were slow in 1990 at only 172,931 sq. ft., 1.1 percent of the market inventory. Rental rates remained low when a cumulative discount of 22.5 percent was factored into achievable rents.

1991 FORECAST

With speculative office development virtually non-existent, vacancies in Nashville should slowly trend downward despite sluggish absorption. This will create an environment that will allow rental rates to begin to firm. Prospects for this office market are enhanced by Nashville's diversified economy and pro-business leadership. Nissan's assembly plant in Smyrna has generated related manufacturing and services jobs as will the opening of GM's Saturn plant. But a key to this market's improvement is keeping its propensity to build ahead of current demand in check.



NEW HAVEN, CONNECTICUT: Office

New Haven, Connecticut

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	3,500,000	3,000,000	700,000	2,300,000
Vacant	1,500,000	700,000	450,000	200,000
Vacancy Rate	42.9%	23.3%	64.3%	8.7%
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	100,000	150,000	200,000	n/a
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	250,000	120,000	n/a	n/a
Rental Rates ($/sf)				
Lowest	12.00	10.00	10.00	7.00
Highest	23.00	20.00	16.00	12.00
Weighted Average	n/a	n/a	n/a	n/a
Sales Prices ($/sf)				
Lowest	80.00	65.00	60.00	55.00
Highest	160.00	120.00	75.00	65.00
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $2.35 per sf
Outside CBD $2.35 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 1,000 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $22.50 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 12.50%

Cumulative Discount Rate: 25-30%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Signing Bonuses

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Business Services
- Engineering/Architecture
- Utilities

Minor Activity
- Fortune 500 Firms
- Sales
- Finance/Banking
- Government
- Energy

Outlook

Absorption		Down 20%
Construction		Down 30%
Vacancies		Up 15%
Rental Rates		Down 20%
Landlord Concessions		Up 15%
Sales Prices	Class A CBD	Down 15%
	Outside CBD	Down 15%
	Class B CBD	Down 20%
	Outside CBD	Down 20%

DEMOGRAPHICS

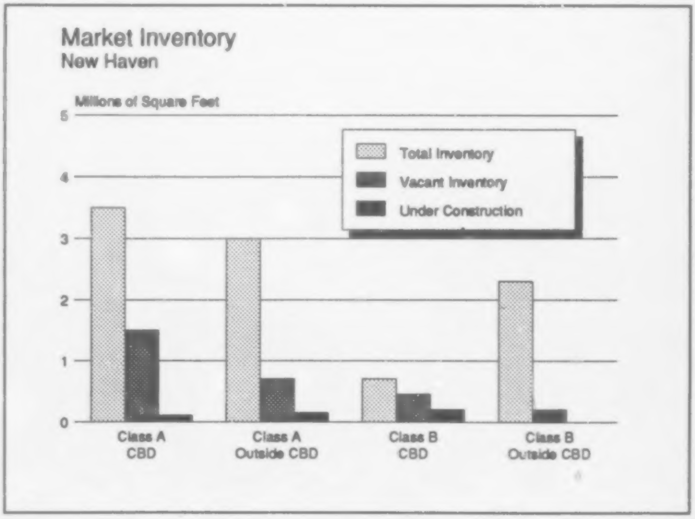
		Rank
Population:	515,105	81
Population Growth Rate:	0.29%	
Unemployment Rate:	5.20%	
Med. Household Income:	$40,774	10
Cost of Living Index:	n/a	n/a

1990 REVIEW

The addition of 700,000 sq. ft. of new office space in 1990 is exactly what the New Haven office market did not need. With net absorption at only 370,000 sq. ft., the new construction pushed the overall vacancy rate up over eight percentage points to 30 percent. Serious trouble exists in the CBD where the vacancy rate stands at 46.4 percent. This record oversupply of office space continues to drive rental prices down. Liberal landlord concessions offer cumulative discounts of 27.5 percent. This shaky real estate environment has shaken the banking industry in the New England region.

1991 FORECAST

There is no improvement in sight for the New Haven office market in 1991. According to SIOR's local observer, absorption will be down 20 percent in 1990 and vacancies will rise. Overbuilt conditions will serve to push rental rates down further, along with fueling generous concession packages. There may be some lateral activity as tenants move to the new office buildings from the older ones. Significant adjustments should occur in the banking industry in 1991 creating an unsettled economic climate. The presence of Yale University provides a stablizing force as it can foster the emergence of high-tech companies.



NEW JERSEY-CENTRAL: Office

Hunterdon, Mercer, Middlesex, Monmouth, Somerset, and Union Counties

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	-	47,980,000	-	n/a
Vacant	-	9,210,000	-	n/a
Vacancy Rate	-	19.2%	-	n/a
Vacant Sublease	-	362,000	-	n/a
Under Construction	-	1,047,500	-	n/a
Substantial Rehab	-	0	-	n/a
Net Absorption	-	1,185,000	-	n/a
Rental Rates ($/sf)				
Lowest	-	17.50	-	10.00
Highest	-	25.00	-	18.00
Weighted Average	-	21.50	-	15.50
Sales Prices ($/sf)				
Lowest	-	125.00	-	n/a
Highest	-	150.00	-	n/a
Weighted Average	-	150.00	-	n/a

Utility Rates: CBD n/a
Outside CBD $2.50 per sf
Not Separately Metered

Parking Ratio: CBD - -
Outside CBD - 1 per 250 sf

Standard Work Letter: $20.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 10.00%

Cumulative Discount Rate: 20%

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Fortune 500 Firms
- Legal/Accounting
- Business Services
- Environmental Consulting

Minor Activity
- Insurance
- Sales
- Finance/Banking
- Engineering/Architecture
- Energy

OUTLOOK

Absorption			Down 10%
Construction			Down 30%
Vacancies			Same
Rental Rates			Same
Landlord Concessions			Up 5%
Sales	Class A	CBD	n/a
Prices		Outside CBD	Same
	Class B	CBD	n/a
		Outside CBD	Same

DEMOGRAPHICS

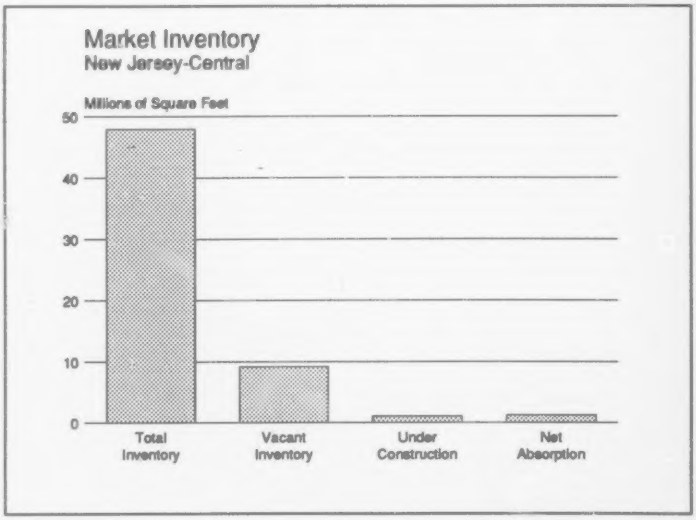
		Rank
Population:	2,242,576	20
Population Growth Rate:	0.93%	
Unemployment Rate:	4.40%	
Med. Household Income:	n/a	n/a
Cost of Living Index:	n/a	n/a

1990 REVIEW

The central New Jersey office market encompasses almost 48 million sq. ft. of office space. It generally consists of suburban markets influenced by their proximity to New York City and Philadelphia. Development of office projects has tended to follow major transportation corridors. The overall vacancy rate stands at 19.2 percent which is not necessarily indicative of recent deterioration as this market usually registers a higher vacancy rate. Even though over one million sq. ft. of space is currently under construction, SIOR's local reporter is convinced that the more rigid criteria for financing has effectively halted purely speculative office construction. Most of the office buildings under construction are 40 percent or more pre-leased.

1991 FORECAST

In 1991 consolidations by major corporations are expected to continue. Landlords will offer greater lease concessions and higher work letters. Major pharmaceutical companies and environmental consulting firms should provide for some expansion. Even with this potential growth, however, absorption levels are projected to be down 10 percent in 1991. The central New Jersey local reporter anticipates a decrease in construction levels with vacancy and rental rates remaining unchanged.



NEW JERSEY-NORTHERN: Office

Bergen, Essex, Hudson, Morris, and Passaic Counties

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	-	75,305,000	-	n/a
Vacant	-	14,960,000	-	n/a
Vacancy Rate	-	19.9%	-	n/a
Vacant Sublease	-	900,000	-	n/a
Under Construction	-	5,227,000	-	n/a
Substantial Rehab	-	0	-	n/a
Net Absorption	-	2,100,000	-	n/a
Rental Rates ($/sf)				
Lowest	-	18.50	-	12.00
Highest	-	28.00	-	18.50
Weighted Average	-	22.00	-	17.00
Sales Prices ($/sf)				
Lowest	-	70.00	-	n/a
Highest	-	185.00	-	n/a
Weighted Average	-	120.00	-	n/a

Utility Rates: CBD n/a
Outside CBD $2.50 per sf
Not Separately Metered

Parking Ratio: CBD - -
Outside CBD - 1 per 250 sf

Standard Work Letter: $20.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 10.00%

Cumulative Discount Rate: 20%

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Interior Improvements

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Engineering/Architecture
- Government
- Environmental Consulting

Minor Activity
- Fortune 500 Firms
- Insurance
- Business Services
- Sales
- Finance/Banking
- Energy

OUTLOOK

Absorption		Down 10%
Construction		Down 30%
Vacancies		Same
Rental Rates		Same
Landlord Concessions		Up 5%
Sales Prices	Class A CBD	n/a
	Outside CBD	Same
	Class B CBD	n/a
	Outside CBD	Same

DEMOGRAPHICS

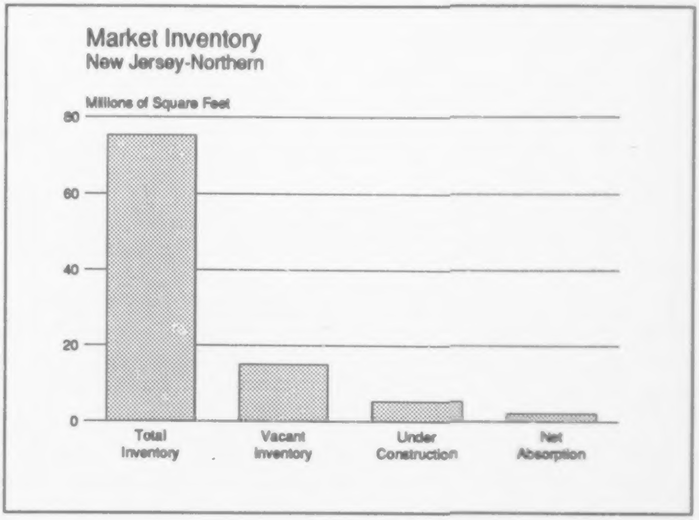
		Rank
Population:	3,482,166	8
Population Growth Rate:	-0.68%	
Unemployment Rate:	5.30%	
Med. Household Income:	n/a	n/a
Cost of Living Index:	n/a	n/a

1990 REVIEW

Relocations from New York City have been an important factor behind the growth of the northern New Jersey office market. Office tenants from Manhattan are attracted to the available space in the Class "A" high-tech buildings which offer rents and operating expenses at considerable savings. This spill-over effect has slowed, however, as Wall Street had its worst year in history during 1990. This office market contains over 75 million sq. ft. of office space and registers a vacancy rate of 19.9 percent. In 1990 net absorption totalled 2.1 million sq. ft. of office space. This pace is not strong enough to accept the 5.2 million sq. ft. of space under construction without causing upward pressure on vacancies.

1991 FORECAST

Northern Jersey office market construction levels will be down 30 percent. SIOR's local observer reports that only a small fraction of office space currently under construction is purely speculative. Any future construction will depend on a property's ability to attract tenants for pre-leasing. The Hudson River waterfront market and Newark are expected to experience the most absorption in coming years. Liberal concession packages will continue to be the norm with cumulative discounts over 20 percent.



75% LEASED

In just a short period of time, Parkside Corporate Center at Raritan Center is 75 percent leased and construction has begun on a second 135,000 square foot building.

Why has Parkside been so successful in today's real estate market?

Because it's more than just a great building...

...although Parkside's two buildings provide 325,000 square feet of modern office and high-tech space set within an environment that is a virtual extension of the adjacent Thomas A. Edison County Park.

Because it's more than location, location, location...

...although Parkside is conveniently located in Raritan Center at the intersection of a host of New Jersey's major thoroughfares, including Interstate 287, Routes 1 & 9, Route 440, the Garden State Parkway and the New Jersey Turnpike.

Because it's more than just great amenities...

...although we have those too, including four banks, two major hotels, numerous restaurants and retail establishments, a post office, a child care center and a convention/exhibition hall.

The answer to Parkside's success can be found in one simple word — service.

Parkside Corporate Center is owned and managed by Federal Business Centers, one of the nation's leading businesspark developers. For more than 50 years, Federal has been providing companies with the peace of mind they need about building maintenance so they are free to do what they do best — run their businesses.

Our service starts before you move in. A team of expert engineers and architectural planning and interior design specialists work with you to ensure that your new location is exactly the way you want it. Then, we follow up on that service.

Come see why Federal Business Centers has achieved a 98 percent lease renewal rate and why our family of more than 300 companies choose, stay and expand at Raritan Center.

For more information about leasing at Parkside, or any of Federal Business Centers other fine buildings in Raritan Center or other locations up and down the Turnpike, call Anthony Tony Rispoli at (908) 225-2200.

FEDERAL BUSINESS CENTERS

300 Raritan Center Parkway, Edison, New Jersey 08817, (201) 225-2200

NEW JERSEY-SOUTHERN: Office

Burlington, Camden, and Gloucester Counties

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	-	20,200,000	-	13,000,000
Vacant	-	3,000,000	-	3,000,000
Vacancy Rate	-	14.9%	-	23.1%
Vacant Sublease	-	n/a	-	n/a
Under Construction	-	100,000	-	n/a
Substantial Rehab	-	n/a	-	n/a
Net Absorption	-	n/a	-	n/a
Rental Rates ($/sf)				
Lowest	-	17.00	-	13.00
Highest	-	21.00	-	14.00
Weighted Average	-	n/a	-	n/a
Sales Prices ($/sf)				
Lowest	-	90.00	-	60.00
Highest	-	120.00	-	90.00
Weighted Average	-	105.00	-	75.00

Utility Rates: CBD n/a
Outside CBD $1.60 per sf
Not Separately Metered

Parking Ratio: CBD - -
Outside CBD - 1 per 250 sf

Standard Work Letter: $18.00 per sf

Operating Cost Escalation: Stop - $3.25 - $7.00

Rate of Return: n/a

Cumulative Discount Rate: 10-15%

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile
Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Engineering/Architecture

OUTLOOK

Absorption		Down
Construction		Down
Vacancies		Up
Rental Rates		Down
Landlord Concessions		Same
Sales Prices	Class A CBD	n/a
	Outside CBD	Down
	Class B CBD	n/a
	Outside CBD	Down

DEMOGRAPHICS

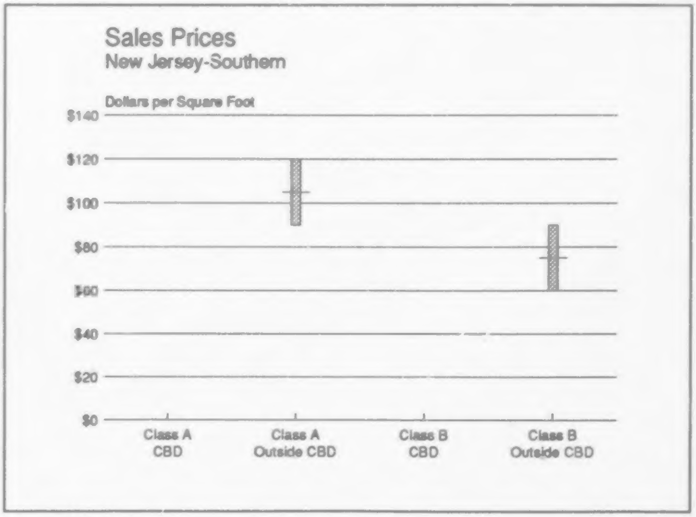
		Rank
Population:	n/a	n/a
Population Growth Rate:	n/a	
Unemployment Rate:	n/a	
Med. Household Income:	n/a	n/a
Cost of Living Index:	n/a	n/a

1990 REVIEW

The Southern New Jersey market straddles the New Jersey/Pennsylvania border and contains 33.2 million sq. ft. of office space. Its geographic location puts this market in a squeeze between two financially troubled state governments. Further, the city of Philadelphia faces a budget deficit which will hamper economic growth. General Electric Aerospace and Campbell Soup announced layoffs that together total 3,200 employees. Most market indicators have not changed from last year, though. The overall vacancy rate remains a notch above 18 percent and SIOR's local observer reports that demand for office space is about level compared to last year.

1991 FORECAST

Southern New Jersey will no longer be able to look to Philadelphia for signs of economic strength. As Philadelphia has been fighting the battle to remain solvent since the middle of 1990. The southern New Jersey office market has yet to see any deterioration. In 1991, however, some weaknesses may develop. Absorption should be slow pushing vacancies up. The leasing environment should continue to be favorable for the tenants. On a positive note, no new developments of consequence will come on line in 1991.



NEW ORLEANS, LOUISIANA: Office

New Orleans, Louisiana

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	9,466,915	2,242,804	6,197,343	2,693,243
Vacant	2,416,467	614,826	2,192,913	599,855
Vacancy Rate	25.5%	27.4%	35.4%	22.3%
Vacant Sublease	40,000	14,000	0	11,000
Under Construction	0	0	0	0
Substantial Rehab	0	0	0	0
Net Absorption	-137,164	126,400	68,000	-74,000
Rental Rates ($/sf)				
Lowest	12.00	11.00	8.00	9.00
Highest	17.00	16.00	12.00	13.00
Weighted Average	n/a	n/a	n/a	n/a
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $1.20 per sf
Outside CBD $1.10 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 1,000 sf
Outside CBD - 1 per 300 sf

Standard Work Letter: $13.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Stop - $5.50 - $6.25

Rate of Return: n/a

Cumulative Discount Rate: 10-14%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Business Services
- Sales
- Finance/Banking
- Maritime

Minor Activity
- Fortune 500 Firms
- Insurance
- Government
- Energy

OUTLOOK

Absorption			Up
Construction			Same
Vacancies			Down
Rental Rates			Up
Landlord Concessions			Same
Rental Rates	Class A	CBD	Same
		Outside CBD	Up
	Class B	CBD	Same
		Outside CBD	Up

DEMOGRAPHICS

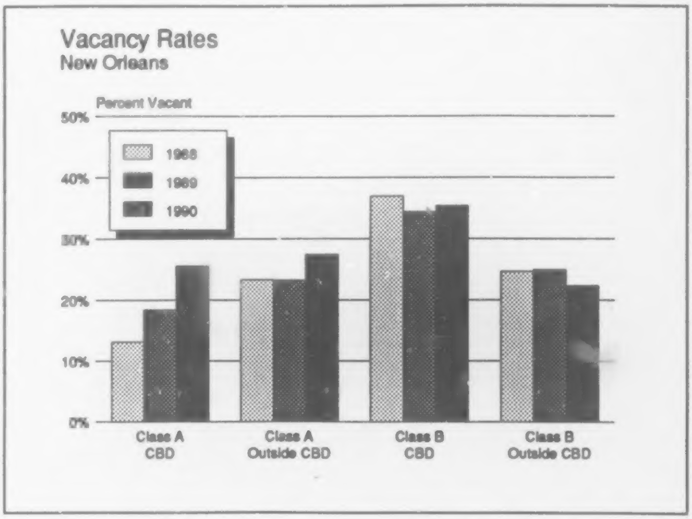
		Rank
Population:	1,356,803	38
Population Growth Rate:	0.77%	
Unemployment Rate:	6.70%	10
Med. Household Income:	$23,542	5
Cost of Living Index:	94.5	66

1990 REVIEW

The New Orleans office market is still distressed seven years after the oil boom turned to a bust. As predicted, 1990 was a year of less absorption, more vacancies and lower rents. The overall vacancy rate climbed almost four percentage points to 28.3 percent as negative net absorption occurred. Class "B" CBD space still registers the highest sector vacancy rate at 35.4 percent. This is primarily a result of moveup activity. Effective rents and building values saw little improvement in 1990.

1991 FORECAST

Until solid growth returns to the New Orleans economy, the office market cannot significantly improve. The key to New Orlean's recovery is still diversification into businesses that can help insulate the metro area from swings in the national economy. Even though New Orleans can offer cost advantages for business, such as low rental rates, low energy costs, and low wage levels, it has not been able to attract many employers to the area. Poor government image and low educational levels have acted as deterrents.



New York City, New York: Office

Manhattan

Market Data

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	249,230,000	-	103,740,000	-
Vacant	32,100,000	-	16,100,000	-
Vacancy Rate	12.9%	-	15.5%	-
Vacant Sublease	10,000,000	-	3,200,000	-
Under Construction	2,960,000	-	0	-
Substantial Rehab	n/a	-	n/a	-
Net Absorption	-2,200,000	-	-560,000	-
Rental Rates ($/sf)				
Lowest	16.00	-	10.00	-
Highest	75.00	-	53.00	-
Weighted Average	39.14	-	22.18	-
Sales Prices ($/sf)				
Lowest	n/a	-	n/a	-
Highest	n/a	-	n/a	-
Weighted Average	n/a	-	n/a	-

Utility Rates: CBD $2.50 per sf
Outside CBD $n/a per sf
Not Separately Metered

Parking Ratio: CBD - n/a
Outside CBD - n/a

Standard Work Letter: $29.50 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: n/a

Cumulative Discount Rate: 10-15%

Landlord Concessions
- Rental Abatement
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Finance/Banking
- Government

Minor Activity
- Fortune 500 Firms
- Business Services
- Sales
- Engineering/Architecture

Outlook

Absorption		n/a
Construction		Down
Vacancies		Up
Rental Rates		Down
Landlord Concessions		Up
Sales	Class A CBD	n/a
Prices	Outside CBD	n/a
	Class B CBD	n/a
	Outside CBD	n/a

Demographics

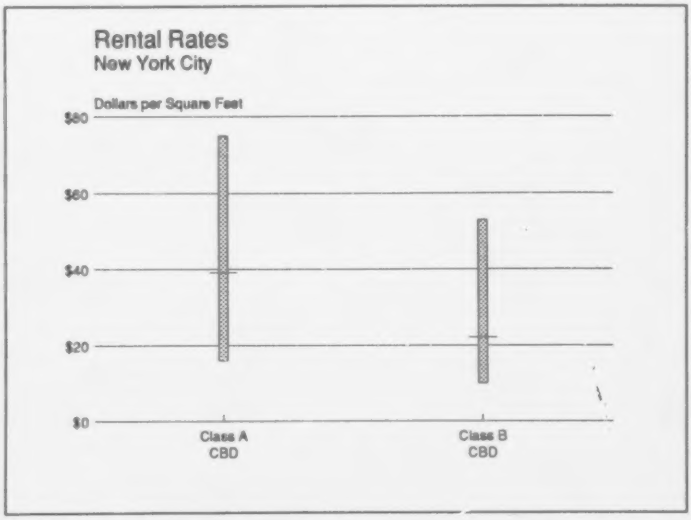
		Rank
Population:	8,031,290	2
Population Growth Rate:	-0.30%	
Unemployment Rate:	7.90%	
Med. Household Income:	$30,852	52
Cost of Living Index:	n/a	n/a

1990 Review

Manhattan, the largest office market in the nation, contains over 352 million sq. ft. This market experienced negative net absorption in 1990. This is primarily due to the fact that New York is a financial center at a time when the financial industry is contracting. A large amount of space came on the market due to the bankruptcies of Drexel Burnham, Integrated Resources, and Laventhal & Horwath. Additionally, Manhattan is a high-cost business center at a time when corporate cost containment is prevalent. This was cited as a primary reason for the relocation of W.R. Grace & Co. to southern Florida. The composite vacancy rate stands at 13.7 percent and a minimal three million sq. ft. of office space is under construction.

1991 Forecast

New speculative development will be minimal in 1991. A recovery for the financial sector is not expected before year-end and vacancies may increase slightly before a Manhattan comeback occurs. The local economy still has some difficult times ahead, especially as it grapples with the weak fiscal position of New York City.



NEW YORK CITY-BROOKLYN / QUEENS, NEW YORK: OFFICE

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	21,000,000	-	-	-
Vacant	3,000,000	-	-	-
Vacancy Rate	14.3%	-	-	-
Vacant Sublease	350,000	-	-	-
Under Construction	2,000,000	-	-	-
Substantial Rehab	1,000,000	-	-	-
Net Absorption	500,000	-	-	-
Rental Rates ($/sf)				
Lowest	19.00	15.00	16.00	10.00
Highest	30.00	23.00	23.00	20.00
Weighted Average	23.00	18.00	19.00	13.00
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $2.50 per sf
Outside CBD $2.50 per sf
Separately Metered

Parking Ratio: CBD - 1 per 1,000 sf
Outside CBD - 1 per 333 sf

Standard Work Letter: $22.50 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: n/a

Cumulative Discount Rate: 25%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Interior Improvements
- Signing Bonuses

Leasing Activity Profile

Major Activity
- Sales
- Finance/Banking
- Engineering/Architecture
- Government

Minor Activity
- Legal/Accounting
- Insurance
- Business Services

OUTLOOK

Absorption		Same
Construction		Same
Vacancies		Up 5-10%
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	n/a
	Outside CBD	n/a
	Class B CBD	n/a
	Outside CBD	n/a

DEMOGRAPHICS

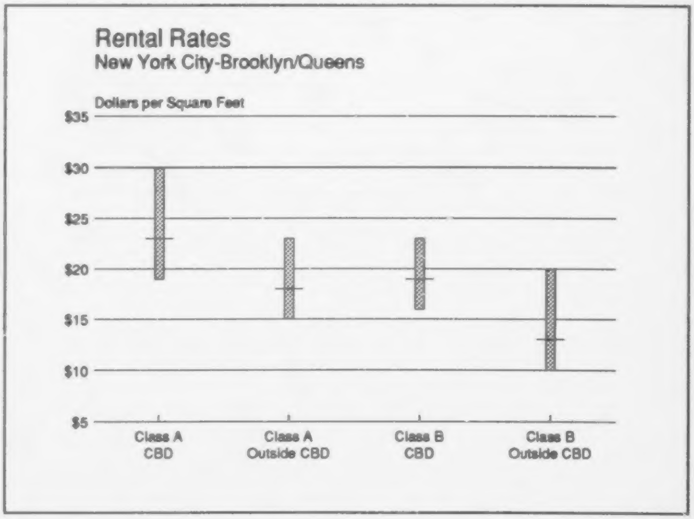
		Rank
Population:	8,031,290	2
Population Growth Rate:	-0.30%	
Unemployment Rate:	7.90%	
Med. Household Income:	$30,852	52
Cost of Living Index:	n/a	n/a

1990 REVIEW

The Brooklyn/Queens office market contains approximately 21 million sq. ft. of office space. Much of this inventory consists of old buildings housing service, educational, and governmental functions. The submarkets of Long Island City in Queens and downtown Brooklyn have seen most of the new development and leasing activity. The marketwide vacancy rate stands at 14.3 percent. Liberal concession packages offer cumulative discounts up to 25 percent. Approximately three million sq. ft. of space at the Metrotech project is presently emerging in buildings for Chase Manhattan Bank, Brooklyn Union Gas, and Security Industry Automation Corporation. Crossroads Tower, a 500,000 sq. ft. office building in Long Island City, commenced leasing in 1990.

1991 FORECAST

The slowdown felt in Manhattan will continue to have an affect on the Brooklyn-Queens office market. Vacancies are forecast to climb up another notch. All other market indicators are projected to be stable. SIOR's local reporter indicates that caution is still part of the 1991 forecast. On a positive note, one million sq. ft. of leases have been signed for developments which have not yet occurred. Most of the activity is by government agencies such as the District Attorney's office and the M.T.A.



NEW YORK-NASSAU / Suffolk COUNTIES, NEW YORK: Office

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	-	17,090,887	-	9,379,806
Vacant	-	3,494,341	-	1,453,449
Vacancy Rate	-	20.4%	-	15.5%
Vacant Sublease	-	371,204	-	144,468
Under Construction	-	1,673,471	-	171,800
Substantial Rehab	-	n/a	-	n/a
Net Absorption	-	n/a	-	n/a
Rental Rates ($/sf)				
Lowest	-	13.00	-	14.50
Highest	-	34.00	-	26.00
Weighted Average	-	24.89	-	20.42
Sales Prices ($/sf)				
Lowest	-	n/a	-	n/a
Highest	-	n/a	-	n/a
Weighted Average	-	n/a	-	n/a

Utility Rates: CBD n/a
Outside CBD $2.00 per sf
Not Separately Metered

Parking Ratio: CBD n/a
Outside CBD - 1 per 250 sf

Standard Work Letter: $17.50 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 8.50%

Cumulative Discount Rate: 10%

Landlord Concessions
- Rental Abatement
- Interior Improvements

Leasing Activity Profile

Major Activity
- Insurance
- Business Services
- Finance/Banking
- High-Tech, Computer

Minor Activity
- Legal/Accounting
- Sales
- Engineering/Architecture
- Government
- Energy

OUTLOOK

Absorption		Down
Construction		Down
Vacancies		Up
Rental Rates		Down
Landlord Concessions		Same
Sales Prices	Class A CBD	n/a
	Outside CBD	n/a
	Class B CBD	n/a
	Outside CBD	n/a

DEMOGRAPHICS

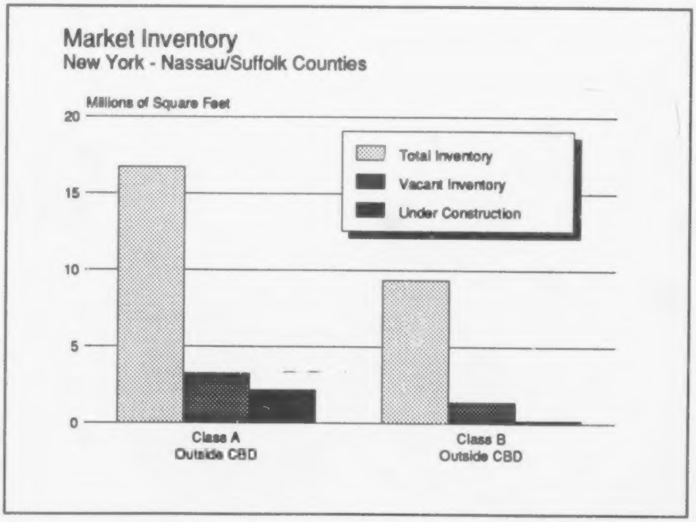
		Rank
Population:	2,494,091	13
Population Growth Rate:	-0.44%	
Unemployment Rate:	4.10%	
Med. Household Income:	$51,838	3
Cost of Living Index:	153.7	1

1990 REVIEW

The Nassau/Suffolk office markets, located due east of New York City are suburban in nature. Of primary concern to the local Long Island economy are the cutbacks in defense. Grumman Aerospace has announced plans to eliminate approximately 500 jobs, with additional reductions expected through 1995. The Long Island office markets contain over 26 million sq. ft. of space. The marketwide vacancy rate stands at 18.7 percent. The majority of leasing activity consisted of expansions and upgrades. Nikon Inc. and Computer Associates International will be moving into new facilities and doubling their space. B. Dalton Bookseller relocated from Minneapolis to Westbury. Market conditions continue to favor tenants and common concessions in new bases often include rent abatements and generous workletters.

1991 FORECAST

Speculative development will decline as financial institutions bring a more critical eye to builders' pro-forma budgets before committing to a project. Absorption is expected to decline in 1991 which should push vacancies upward. As the Nassau/Suffolk office market attempts to cope with this excess space, rental rates should decline.



NEW YORK-ROCKLAND / WESTCHESTER COUNTIES, NEW YORK: OFFICE

New York - Rockland / Westchester Counties

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	2,180,000	6,990,000	3,800,000	12,500,000
Vacant	346,000	965,000	1,010,000	3,040,000
Vacancy Rate	15.9%	13.8%	26.6%	24.3%
Vacant Sublease	0	174,000	22,000	325,000
Under Construction	0	130,000	0	0
Substantial Rehab	0	0	0	0
Net Absorption	35,000	1,210,000	-280,000	-770,000
Rental Rates ($/sf)				
Lowest	24.00	20.00	15.00	14.00
Highest	28.00	23.00	22.50	18.00
Weighted Average	24.75	21.50	20.50	16.75
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	80.00
Highest	n/a	240.00	n/a	175.00
Weighted Average	n/a	200.00	n/a	125.00

Utility Rates: CBD $2.75 per sf
Outside CBD $2.00 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 500 sf
Outside CBD - 1 per 200 sf

Standard Work Letter: $25.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: n/a

Cumulative Discount Rate: 15-20%

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Business Services
- Government

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Sales
- Engineering/Architecture

OUTLOOK

Absorption		Up 10%
Construction		Down 100%
Vacancies		Down 10%
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	Down 20%
	Outside CBD	Down 20%
	Class B CBD	Down 20%
	Outside CBD	Down 20%

DEMOGRAPHICS

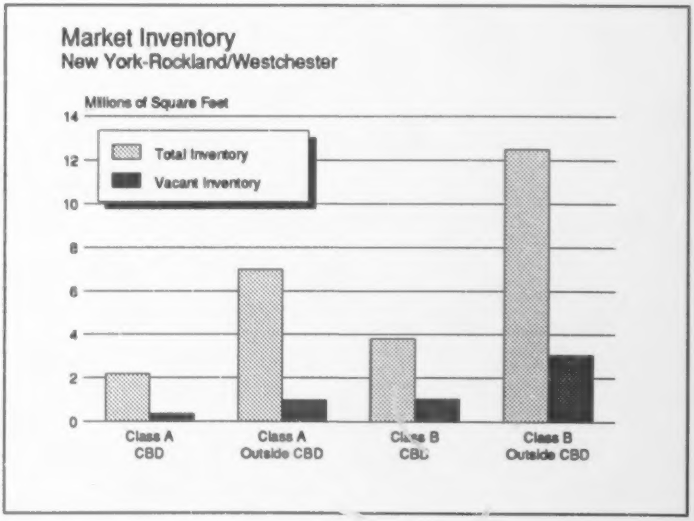
		Rank
Population:	n/a	n/a
Population Growth Rate:	n/a	
Unemployment Rate:	n/a	
Med. Household Income:	n/a	n/a
Cost of Living Index:	n/a	n/a

1990 REVIEW

Westchester County is located north of New York City. Rockland County, also situated to the north, is on the west side of the Hudson River bordering northern New Jersey. White Plains is the area's major urban center. The marketwide vacancy rate stands at 21 percent, slightly down from last year's 22.4 percent. The Class "A" sector exhibits particular strength with a vacancy rate of 14.3 percent and a quick pace of net absorption. This occupancy has been garnered at the expense of the Class "B" market which experienced negative net absorption as tenants upgraded their space.

1991 FORECAST

No speculative development is underway as projects are delayed while excess space is absorbed. Proposed projects will be under more scrutiny due to stringent lending requirements and strong community reaction regarding over-development, traffic congestion, and environmental conditions. SIOR's local observer expects to see improvement in this market in 1991. As new supply is put on hold, vacancies will begin to edge downward. Rental rates and concession packages should firm.



Market Inventory
New York-Rockland/Westchester

Norfolk, Virginia: Office

Chesapeake, Hampton, Newport, Norfolk, Virginia Beach, and Williamsburg

Market Data

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	2,409,617	3,441,656	1,038,174	4,319,862
Vacant	312,812	924,161	212,675	957,436
Vacancy Rate	13.0%	26.9%	20.5%	22.2%
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	220,000	0	0	0
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	92,289	235,126	-14,111	139,504
Rental Rates ($/sf)				
Lowest	16.50	12.00	9.50	8.50
Highest	23.00	19.00	18.00	15.00
Weighted Average	19.75	15.19	13.10	12.50
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $1.50 per sf
Outside CBD $1.20-1.50 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 500 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $13.50 per sf, typically based on $/sf and quantity of materials

Operating Cost Escalation: Base Year and Stop - $4.00 - $4.50

Rate of Return: n/a

Cumulative Discount Rate: 15-20%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Finance/Banking

Minor Activity
- Fortune 500 Firms
- Insurance
- Business Services
- Sales
- Government
- Defense Contracting

Outlook

Absorption		Up
Construction		Down
Vacancies		Down
Rental Rates		Same
Landlord Concessions		Down
Sales Prices	Class A CBD	n/a
	Outside CBD	n/a
	Class B CBD	n/a
	Outside CBD	n/a

Demographics

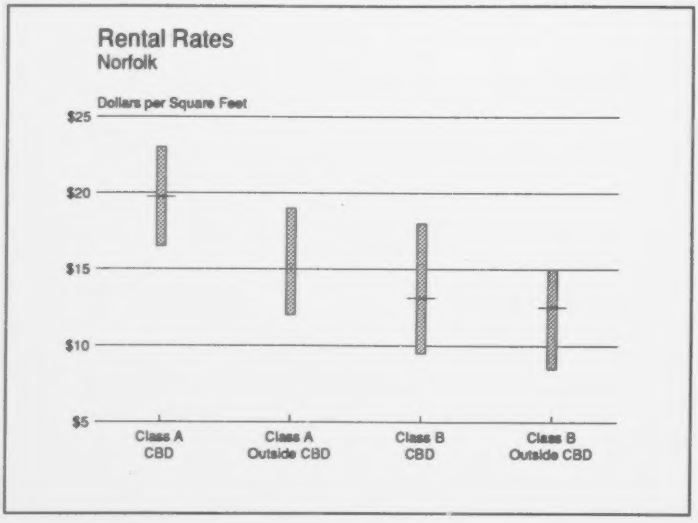
		Rank
Population:	1,408,344	34
Population Growth Rate:	1.96%	
Unemployment Rate:	5.00%	
Med. Household Income:	$31,799	43
Cost of Living Index:	n/a	n/a

1990 Review

A U.S. Navy build-up excited strong growth in Norfolk during the 1980s. With the military dominance in this economy, the Persian Gulf crisis hit close to home last year. SIOR's reporter indicates, however, that the office market appeared to be only marginally impacted by this situation. The composite vacancy rate stands at 21.5 percent at year end 1990. Net absorption accounted for 452,808 sq. ft. leased. Move-up activity has been prevalent as tenants are taking advantage of generous concession packages offering discounts between 15 and 20 percent.

1991 Forecast

There is no new construction activity in this office market and there will not be any for at least the next 12 to 18 months. The vacant supply will decrease as a result of a modest increase in net absorption. Rental rates are expected to remain flat, but concession packages will diminish. The consequences of the Persian Gulf crisis and the extent of the Defense Department's budget cuts have the potential to alter this forecast.



OAKLAND, CALIFORNIA: Office

Oakland, California

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	6,316,305	760,066	2,247,309	2,763,706
Vacant	945,883	177,622	630,296	521,656
Vacancy Rate	15.0%	23.4%	28.0%	18.9%
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	0	0	0	0
Substantial Rehab	0	0	0	0
Net Absorption	n/a	n/a	n/a	n/a
Rental Rates ($/sf)				
Lowest	20.00	13.00	12.00	9.00
Highest	26.00	18.00	18.00	15.00
Weighted Average	n/a	n/a	n/a	n/a
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $2.00 per sf
Outside CBD $2.00 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 1,000 sf
Outside CBD - 1 per 300 sf

Standard Work Letter: $35.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: n/a

Cumulative Discount Rate: 20-25%

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Insurance
- Government

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Business Services
- Sales
- Finance/Banking
- Engineering/Architecture

1990 REVIEW

Oakland sits at the hub of the San Francisco-Oakland metropolitan area regional freeway and rapid-transit systems. The office inventory includes 12.1 million sq. ft., with the I-680 and I-880 corridors representing major concentrations of space. The East Bay has experienced impressive growth due to the lower costs of operating and housing. This lured several San Francisco firms, especially the operations of financial, high-tech, and service institutions. Post-earthquake rebuilding continued in 1990. Rental rates remained flat and the range of discounts offered by concessions broadened to between 20 and 25 percent. The marketwide vacancy stands at 18.8 percent.

1991 FORECAST

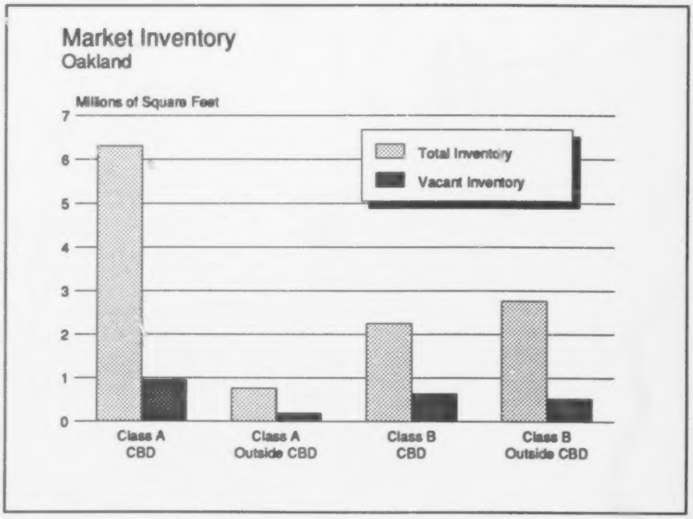
The Oakland office market outlook in 1991 is for improvement. Absorption should be on par with last year. With little new construction on the boards, vacancy rates should edge down. Rental rates and concession packages will begin to firm. The cost attractiveness of the East Bay will begin to diminish over the coming years.

OUTLOOK

Absorption		Same
Construction		Down
Vacancies		Down
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	n/a
	Outside CBD	n/a
	Class B CBD	n/a
	Outside CBD	n/a

DEMOGRAPHICS

		Rank
Population:	2,022,211	23
Population Growth Rate:	1.39%	
Unemployment Rate:	4.40%	
Med. Household Income:	$37,811	12
Cost of Living Index:	n/a	n/a



Oklahoma City, Oklahoma: Office

Central Oklahoma

Market Data

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	3,351,000	4,901,000	2,460,000	3,679,000
Vacant	1,013,000	640,000	1,198,000	1,015,000
Vacancy Rate	30.2%	13.1%	48.7%	27.6%
Vacant Sublease	37,000	35,000	80,000	65,000
Under Construction	0	240,000	0	0
Substantial Rehab	0	0	0	0
Net Absorption	5,000	192,000	35,000	-111,200
Rental Rates ($/sf)				
Lowest	14.00	10.00	5.00	5.00
Highest	21.00	18.50	8.00	8.00
Weighted Average	16.50	13.00	6.50	6.50
Sales Prices ($/sf)				
Lowest	21.00	22.00	8.00	10.00
Highest	44.00	46.00	18.00	23.00
Weighted Average	35.00	30.00	15.00	20.00

Utility Rates: CBD $1.37 per sf
Outside CBD $1.37 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 2,000 sf
Outside CBD - 1 per 400 sf

Standard Work Letter: $10.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 12.00%

Cumulative Discount Rate: 5%

Landlord Concessions

- Parking
- Lease Assumptions
- Interior Improvements

Leasing Activity Profile

Major Activity

- Government

Minor Activity

- Fortune 500 Firms
- Legal/Accounting
- Business Services
- Sales
- Finance/Banking
- Energy

Outlook

Absorption		Up 3%
Construction		Same
Vacancies		Down 2%
Rental Rates		Up 1%
Landlord Concessions		Down 2%
Sales Prices	Class A CBD	Up 3%
	Outside CBD	Up 5%
	Class B CBD	Same
	Outside CBD	Same

Demographics

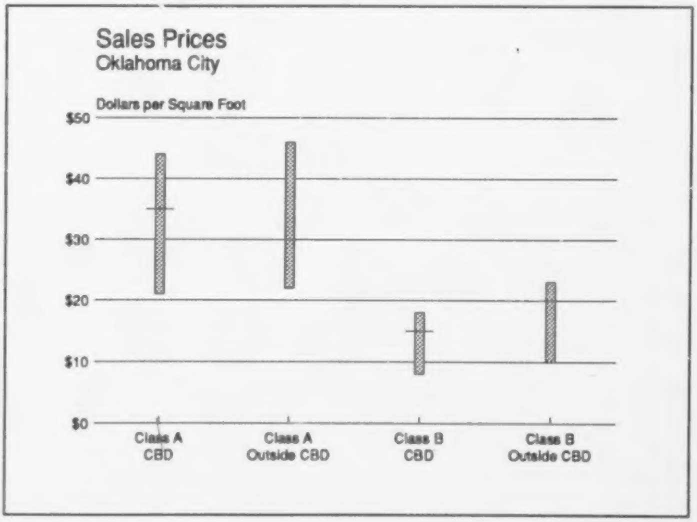
		Rank
Population:	1,027,253	46
Population Growth Rate:	1.78%	
Unemployment Rate:	4.50%	
Med. Household Income:	$25,310	97
Cost of Living Index:	95.4	62

1990 Review

Net absorption was again positive in 1990 and was up from last year's level. Oklahoma City's marketwide vacancy rate did not change from last year though standing still at 26.9 percent. The upturn in oil prices gave the local economy a temporary lift. According to SIOR's local reporter, much of the vacancy is fragmented into smaller, less desirable space. This has firmed quoted rental rates. Occupancy of large Class "A" space is up noticeably. Investment opportunities are still available for those seeking tremendous upside potential. Weighted average sales prices range from $15 to $35 per sq. ft. A substantial volume of space has been acquired by investors in 1990 from RTC, FDIC, and financial institutions. Patient money is required.

1991 Forecast

As ownership continues to be transferred from financial institutions to investors in 1991, strengthening in the market is anticipated. No new speculative development is expected in 1991. Three 200,000 sq. ft. build-to-suit projects are currently in negotiation. As diversification away from an oil dependent economy begins to improve the overall economic situation, SIOR's local researcher expects absorption to pick up a modest three percent. This should allow vacancy rates to edge downward in 1991.



Omaha, Nebraska: Office

Omaha, Nebraska

Market Data

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	1,530,000	4,571,820	3,570,000	3,047,880
Vacant	240,500	261,608	721,500	1,046,430
Vacancy Rate	15.7%	5.7%	20.2%	34.3%
Vacant Sublease	150,000	10,000	15,000	20,000
Under Construction	470,000	358,000	n/a	n/a
Substantial Rehab	125,000	n/a	n/a	n/a
Net Absorption	n/a	n/a	n/a	n/a
Rental Rates ($/sf)				
Lowest	12.00	14.75	10.00	12.00
Highest	21.00	20.00	13.75	13.75
Weighted Average	15.00	16.00	12.00	13.25
Sales Prices ($/sf)				
Lowest	15.00	n/a	n/a	n/a
Highest	n/a	85.00	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $1.45 per sf
Outside CBD $1.35 per sf
Not Separately Metered

Parking Ratio: CBD - n/a
Outside CBD - 1 per 200 sf

Standard Work Letter: $15.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Stop - $4.75

Rate of Return: 10.00%

Cumulative Discount Rate: 9%

Landlord Concessions
- Parking
- Rental Abatement
- Interior Improvements

Leasing Activity Profile

Major Activity
- Fortune 500 Firms
- Insurance
- Business Services
- Energy

Minor Activity
- Legal/Accounting
- Sales
- Finance/Banking
- Engineering/Architecture
- Government

Outlook

Absorption		Down
Construction		Down
Vacancies		Same
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	Down
	Outside CBD	Down
	Class B CBD	Down
	Outside CBD	Down

Demographics

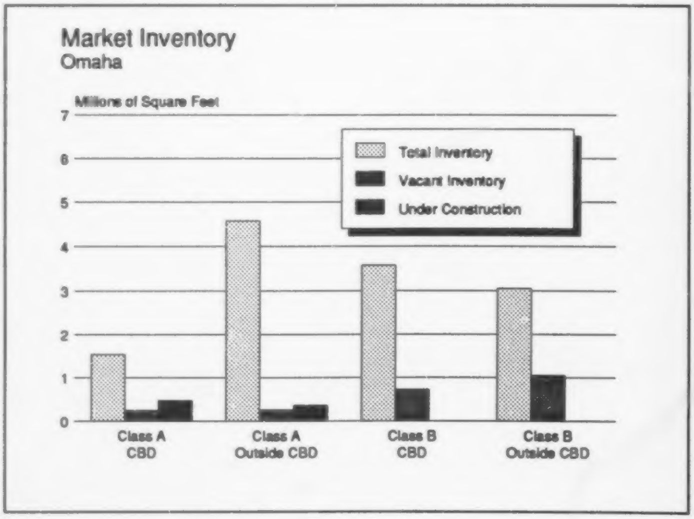
		Rank
Population:	613,280	71
Population Growth Rate:	0.47%	
Unemployment Rate:	2.90%	
Med. Household Income:	$30,869	51
Cost of Living Index:	n/a	n/a

1990 Review

Omaha saw steady growth in 1990 and boasted a 2.9 percent unemployment rate, as of September 1990. Aggressive tax breaks for business are luring new investment. AT&T's expanded long-distance switching center and Union Pacific's high-tech dispatching facility reinforce Omaha's role as a national communications, telemarketing, and transportation center. Modern office suburban space was in scarce supply, and the metropolitan vacancy rate for Class "A" space was a healthy 8.2 percent. Thin margins between Class "A" and "B" rents have weakened the demand for older space, which is now approximately 27 percent vacant. Omaha is finding other low-cost MSAs in the Midwest competing for key office users, such as its insurance firms, and leasing activity in 1990 was moderately slower as a result.

1991 Forecast

Omaha's diversity should enable it to outperform the nation during the current recession. Labor force growth is probable as workers are drawn to the MSA. A jobless rate well below the national average is foreseen. A small amount of speculative office construction will arise in both the CBD and the suburbs. Absorption may fall in the face of regional competition and a softening national economy. Office market rents, therefore, are projected to be flat in 1991.



ORLANDO, FLORIDA: OFFICE

Orlando, Florida

MARKET DATA

	Class A*		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	5,850,000	16,650,000	-	-
Vacant	1,100,000	2,750,000	-	-
Vacancy Rate	18.8%	16.5%	-	-
Vacant Sublease	175,000	100,000	-	-
Under Construction	0	550,000	-	-
Substantial Rehab	n/a	n/a	-	-
Net Absorption	115,000	1,300,000	-	-
Rental Rates ($/sf)				
Lowest	16.50	14.00	10.00	8.00
Highest	26.00	19.00	16.00	15.00
Weighted Average	n/a	n/a	n/a	n/a
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD n/a
Outside CBD n/a
Not Separately Metered

Parking Ratio: CBD - 1 per 667 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: n/a

Cumulative Discount Rate: 15%

Landlord Concessions
- Parking
- Rental Abatement
- Interior Improvements

Leasing Activity Profile

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Government

OUTLOOK

Absorption		Down 25%
Construction		Down 30%
Vacancies		Same
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	n/a
	Outside CBD	n/a
	Class B CBD	n/a
	Outside CBD	n/a

DEMOGRAPHICS

		Rank
Population:	1,043,903	44
Population Growth Rate:	4.08%	
Unemployment Rate:	5.60%	
Med. Household Income:	$31,961	39
Cost of Living Index:	103.3	26

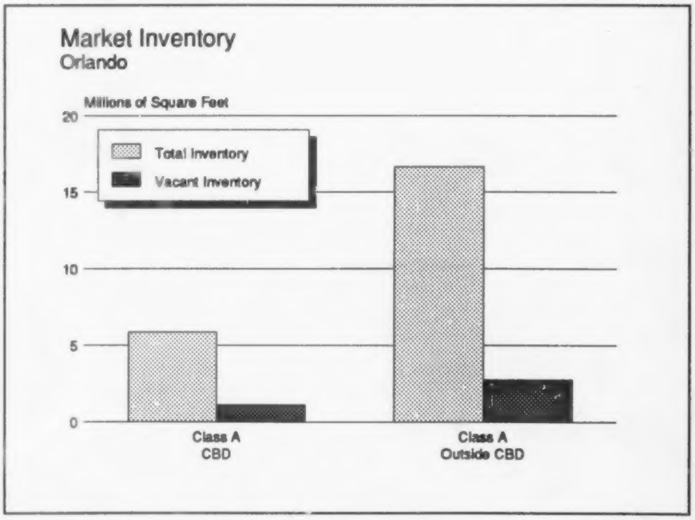
1990 REVIEW

Even during the current national slowdown, Orlando has experienced a steady influx of business and labor. Orlando's growth has been fueled by the service sector, primarily the tourism industry. The 22.5 million sq. ft. office market registered a healthy net absorption level of 1.4 million sq. ft. Even with a composite vacancy rate of 17.1 percent this market remains one of the most vibrant in the nation. It has tolerated persistent high levels of new construction accommodating a rapidly expanding white collar workforce. New construction in 1990, however, was down. For the first time in several years there are no downtown office buildings under construction. Teachers Retirement of Texas recently foreclosed on the second largest office building downtown, the 28 story 435,000 sq. ft. First F.A./DuPont Center.

1991 FORECAST

SIOR's local researcher expects to see a relative slowdown of employment growth in office using categories. The forecast, therefore, is for absorption to drop 25 percent. Vacancies will not show much change from last year as construction levels are also anticipated to be down. Rental rates and concession packages should be stable in this balanced environment.

*(Note: Inventory figures include both Class "A" and Class "B" space.)



Philadelphia, Pennsylvania: Office

Philadelphia, Pennsylvania

Market Data

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	26,881,579	37,301,915	6,474,408	n/a
Vacant	3,781,446	7,572,306	849,360	n/a
Vacancy Rate	14.1%	20.3%	13.1%	n/a
Vacant Sublease	262,751	334,329	42,000	n/a
Under Construction	924,000	266,100	n/a	n/a
Substantial Rehab	1,354,490	125,060	n/a	n/a
Net Absorption	655,587	n/a	n/a	n/a
Rental Rates ($/sf)				
Lowest	n/a	13.00	19.00	n/a
Highest	n/a	24.50	21.00	n/a
Weighted Average	23.50	n/a	n/a	n/a
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $2.50 per sf
Outside CBD $2.05 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 286 sf
Outside CBD - 1 per 500 sf

Standard Work Letter: $25.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Stop

Rate of Return: 10.00%

Cumulative Discount Rate: n/a

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Business Services
- Finance/Banking

Minor Activity
- Fortune 500 Firms
- Sales
- Engineering/Architecture
- Government
- Energy

Outlook

Absorption		Same
Construction		Down 80%
Vacancies		Up 15%
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	n/a
	Outside CBD	n/a
	Class B CBD	n/a
	Outside CBD	n/a

Demographics

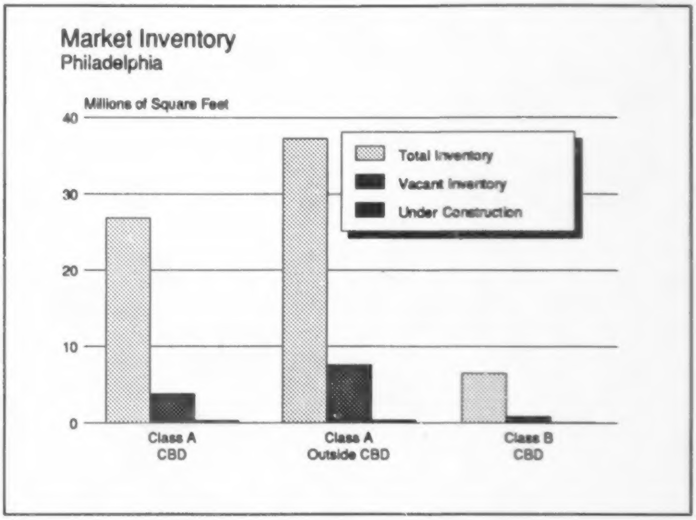
		Rank
Population:	4,763,784	4
Population Growth Rate:	0.10%	
Unemployment Rate:	4.70%	
Med. Household Income:	$35,073	20
Cost of Living Index:	128.0	4

1990 Review

A growing budget deficit has driven Philadelphia's municipal bond rating to the lowest of any U.S. city, and could precipitate bankruptcy. Yet Philadelphia remains one of the nation's most diversified urban markets, recognized as a finance and insurance center, and known for its prestigious institutions. Leasing activity in the CBD office market remained high in 1990 with 655,587 sq. ft. of net absorption. Only 300,000 square feet remain available of the 3.6 million sq. ft. added by Bell Atlantic Tower, Mellon Bank Center, and Two Liberty Place. Tenant relocation into the new towers has increased the amount of sublet space, however. The occupancy rate of direct Class "A" and "B" space in the CBD fell slightly to 85.2 percent by year-end 1990. Asking rents remained flat at $23.50 per sq. ft. for Class "A" buildings with the newest buildings commanding $3 to $4 more per sq. ft.

1991 Forecast

A stagnant economy in 1991 and the aggressive marketing of sublease space will cause effective rents to remain flat or decline slightly in 1991. Brokers report that the new trend is to lower face rents and offer fewer concessions in the form of free rent. While the occupancy rate is expected to fall slightly in 1991 with reduced demand and the large sublease market, it should rebound in 1992 as construction starts slow.



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PHOENIX, ARIZONA: Office

Phoenix, Arizona

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	22,986,949	14,001,901	n/a	n/a
Vacant	5,466,075	3,798,907	n/a	n/a
Vacancy Rate	23.8%	27.1%	n/a	n/a
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	1,475,809	231,000	-	-
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	1,256,013	2,107,606	n/a	n/a
Rental Rates ($/sf)				
Lowest	16.00	16.00	9.50	9.50
Highest	28.00	29.00	20.00	20.00
Weighted Average	20.00	20.33	14.75	14.75
Sales Prices ($/sf)				
Lowest	100.00	100.00	50.00	50.00
Highest	135.00	135.00	80.00	80.00
Weighted Average	117.50	117.50	65.00	65.00

Utility Rates: CBD $1.75 per sf
Outside CBD $1.65 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 330 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $22.00 per sf, typically based on quantity of materals

Operating Cost Escalation: Base Year

Rate of Return: 5.00%

Cumulative Discount Rate: 40-50%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Signing Bonuses
- Club Memberships

Leasing Activity Profile

Major Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance

Minor Activity
- Business Services
- Sales
- Finance/Banking
- Engineering/Architecture
- Government

OUTLOOK

Absorption		Up 50%
Construction		Down 95%
Vacancies		Down 20%
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	Same
	Outside CBD	Same
	Class B CBD	Same
	Outside CBD	Same

DEMOGRAPHICS

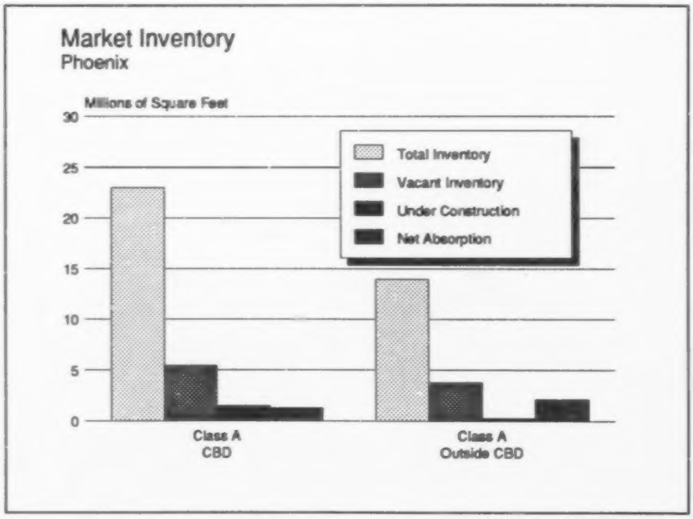
		Rank
Population:	2,250,775	19
Population Growth Rate:	4.08%	
Unemployment Rate:	4.10%	
Med. Household Income:	$31,994	38
Cost of Living Index:	101.9	33

1990 REVIEW

As the business boom of the 1980s was overmatched by the building of office space, in Phoenix the tenant is king. The office vacancy rate of 23.8 percent for Class "A" space is a slight increase from 1989's SIOR reported figures. The Class "B" space vacancy figure of 27.1 percent was a slight decrease from 1989. Rental concessions are quoted up to between 40 to 50 percent of nominal rental rates according to the SIOR's respondent. The new construction pace has slowed considerably in response to the high vacancy rates. A tough lending environment exists in reaction to the previous poor lending practices throughout the region.

1991 FORECAST

The outlook for the Phoenix office market in 1991 shows a glimmer of hope. Speculative new construction is expected to be virtually non-existent. This will allow for a slight increase in absorption of the existing office product leading vacancy rates downward. The slowdown in new construction is still not expected to be enough of a catalyst during this year to decrease the vacancy below 20 percent. For now, the Valley of the Sun remains in eclipse.



Pittsburgh, Pennsylvania: Office

Pittsburgh, Pennsylvania

Market Data

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	13,783,940	6,621,940	6,652,758	4,512,172
Vacant	1,759,035	1,060,172	1,384,666	717,935
Vacancy Rate	12.8%	16.0%	20.8%	15.9%
Vacant Sublease	88,375	33,096	39,922	26,977
Under Construction	0	54,000	0	164,599
Substantial Rehab	0	0	100,000	0
Net Absorption	95,913	582,826	282,242	9,952
Rental Rates ($/sf)				
Lowest	15.00	8.00	10.00	6.20
Highest	28.50	24.00	20.50	18.50
Weighted Average	20.09	17.61	15.25	13.51
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $1.80 per sf
Outside CBD $1.80 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 5,000 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $20.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 10.00%

Cumulative Discount Rate: 15%

Landlord Concessions

- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity

- Legal/Accounting
- Insurance
- Business Services
- Sales
- Engineering/Architecture

Minor Activity

- Fortune 500 Firms
- Finance/Banking
- Government
- Energy

Outlook

Absorption		Same
Construction		Up
Vacancies		Down
Rental Rates		Up
Landlord Concessions		Down
Sales	Class A CBD	n/a
Prices	Outside CBD	n/a
	Class B CBD	n/a
	Outside CBD	n/a

Demographics

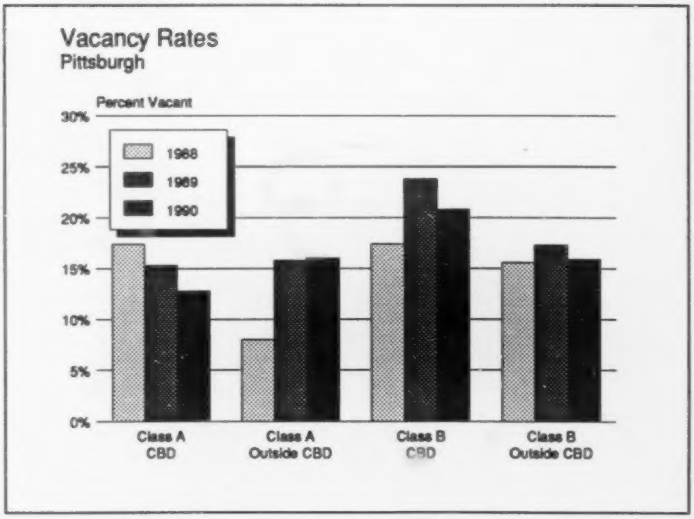
		Rank
Population:	2,150,215	22
Population Growth Rate:	-0.31%	
Unemployment Rate:	4.40%	
Med. Household Income:	$28,768	77
Cost of Living Index:	n/a	n/a

1990 Review

The 1990 lull in new construction allowed for further improvement of the Pittsburgh office market. Net absorption of almost one million sq. ft. knocked almost two percentage points off the overall vacancy rate. Availabilities marketwide touched down at 15.6 percent by the end of 1990. Sony's plans to staff a facility for manufacturing picture tubes boosted morale thoughout the Pittsburgh economy. This market area is expected to lead all Pennsylvannia metro areas in growth for the immediate future.

1991 Forecast

Plans for construction are expected to pick up in 1991. No new space has been proposed for the CBD yet. This, coupled with the vacancy rate of 12.8 percent for Class "A" space, is expected to push rental rates up and diminish landlord concessions. The composite vacancy rate is projected to decline based on another year of strong absorption. SIOR's reporters anticipate the Pittsburgh office market to run strongly counter to the weak national economy in the coming year.



PORTLAND, MAINE: Office

Greater Portland, Maine

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	3,500,000	2,500,000	-	-
Vacant	385,000	250,000	-	-
Vacancy Rate	11.0%	10.0%	-	-
Vacant Sublease	n/a	n/a	-	-
Under Construction	125,000	250,000	-	-
Substantial Rehab	0	0	-	-
Net Absorption	74,772	296,630	-	-
Rental Rates ($/sf)				
Lowest	12.00	12.00	9.00	8.00
Highest	20.00	18.00	12.00	12.00
Weighted Average	15.00	15.00	10.00	10.00
Sales Prices ($/sf)				
Lowest	45.00	50.00	n/a	n/a
Highest	80.00	100.00	n/a	n/a
Weighted Average	70.00	80.00	n/a	n/a

Utility Rates: CBD $1.90 per sf
Outside CBD $1.90 per sf
Separately Metered

Parking Ratio: CBD - 1 per 600 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $16.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 13.00%

Cumulative Discount Rate: 10%

Landlord Concessions
- Parking
- Rental Abatement
- Interior Improvements
- Signing Bonuses

Leasing Activity Profile

Major Activity
- Fortune 500 Firms
- Insurance
- Sales
- Engineering/Architecture
- Government

Minor Activity
- Legal/Accounting
- Business Services
- Finance/Banking
- Energy

OUTLOOK

Absorption		Down 50%
Construction		Down
Vacancies		Down
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	n/a
	Outside CBD	n/a
	Class B CBD	n/a
	Outside CBD	n/a

DEMOGRAPHICS

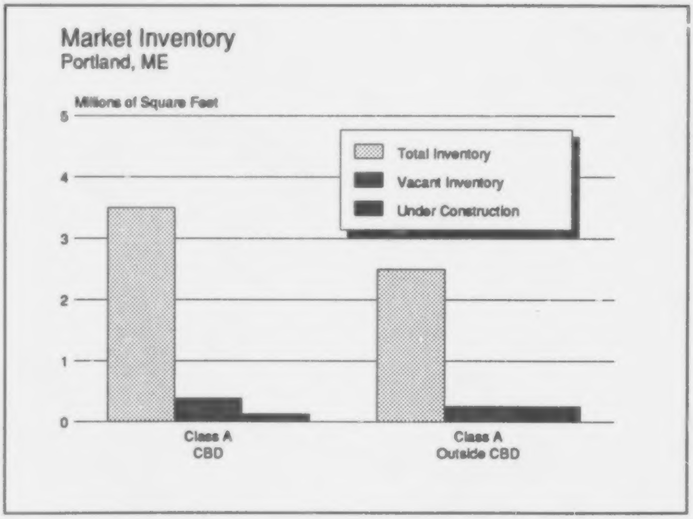
		Rank
Population:	208,157	10
Population Growth Rate:	0.72%	4
Unemployment Rate:	3.30%	
Med. Household Income:	$33,128	30
Cost of Living Index:	n/a	n/a

1990 REVIEW

As a commercial and financial center for northern New England, Portland has led the region in employment and income growth. The Portland office market has generally tightened in 1990. The composite vacancy rate dropped almost a full percentage point to 10.6 percent. Absorption increased 40 percent to 371,402 sq. ft. A number of companies moved or expanded in the area. Aetna Insurance and IBM expanded into new buildings. Several downtown office buildings sold in 1990, and in the opinion of SIOR's local reporter, have established a bottom for the market. The weighted average of sales prices ranges from $70 to $80 per sq. ft.

1991 FORECAST

A softer market in the near-term is forecast by SIOR's Portland market reporter. A dip in absorption connected with a slow national and New England economy is expected. As speculative development has come to a complete standstill, however, vacancy rates are expected to decline even with the anticipated slowdown in demand.



PORTLAND, OREGON: Office

Portland, Oregon

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	7,377,067	3,422,301	2,031,200	2,861,922
Vacant	932,644	497,337	470,048	394,758
Vacancy Rate	12.6%	14.5%	23.1%	13.8%
Vacant Sublease	18,312	10,171	14,255	4,900
Under Construction	240,000	147,500	0	0
Substantial Rehab	0	0	0	0
Net Absorption	153,901	421,653	-31,172	83,278
Rental Rates ($/sf)				
Lowest	14.00	14.00	10.00	9.00
Highest	31.50	20.50	16.00	14.00
Weighted Average	20.24	15.76	13.09	12.78
Sales Prices ($/sf)				
Lowest	75.00	75.00	55.00	55.00
Highest	140.00	140.00	90.00	90.00
Weighted Average	100.00	100.00	75.00	75.00

Utility Rates: CBD $1.15 per sf
Outside CBD $1.20 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 1,000 sf
Outside CBD - 1 per 300 sf

Standard Work Letter: $19.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 11.50%

Cumulative Discount Rate: 10%

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Moving Allowance

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Finance/Banking
- Government

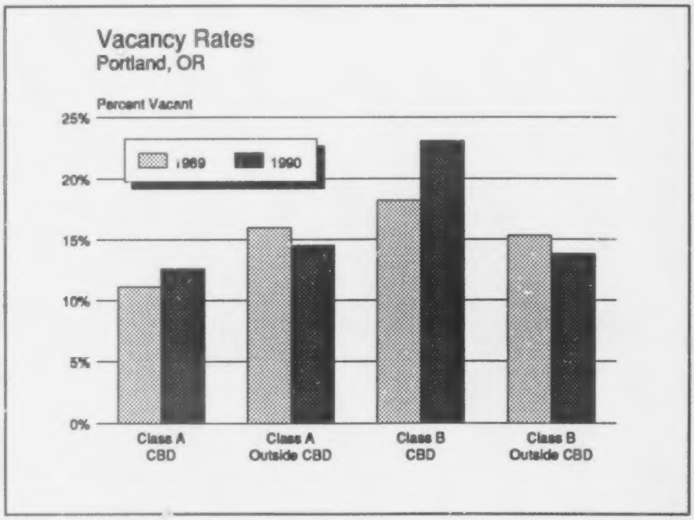
Minor Activity
- Fortune 500 Firms
- Engineering/Architecture

OUTLOOK

Absorption			Same
Construction			Down 100%
Vacancies			Down 5%
Rental Rates			Up 5%
Landlord Concessions			Down 5%
Sales Prices	Class A	CBD	Up
		Outside CBD	Up
	Class B	CBD	Up
		Outside CBD	Up

DEMOGRAPHICS

		Rank
Population:	1,239,156	41
Population Growth Rate:	1.15%	
Unemployment Rate:	4.40%	
Med. Household Income:	$27,495	82
Cost of Living Index:	105.7	21



1990 REVIEW

The Portland, Oregon office market has been successful in avoiding the overbuilding and general weak conditions that are typical of many U.S. cities. Restrained construction levels during the 1980s kept supply in line with growth in employment and population. Net absorption of 627,660 sq. ft. was up considerably from last year. The marketwide vacancy rate stands at 14.6 percent, below the national average. The trend of firms relocating from downtown to the suburbs was apparent again in 1990. Pacific Rim firms continued to show interest in Portland as they seek access to the U.S. marketplace.

1991 FORECAST

Another strong year is forecast for the Portland office market in 1991. New construction will decline sharply, due not only to local development regulations but also to conservative bank lending practices. This should keep net absorption over 600,000 sq. ft. and push the composite vacancy rate downward.

PROVIDENCE, RHODE ISLAND: OFFICE

City of Providence, Rhode Island

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	1,354,232	0	2,915,353	1,571,118
Vacant	234,164	0	602,267	457,465
Vacancy Rate	17.3%	-	20.7%	29.1%
Vacant Sublease	52,763	0	0	0
Under Construction	0	0	0	0
Substantial Rehab	0	0	0	0
Net Absorption	160,969	0	3,171	75,570
Rental Rates ($/sf)				
Lowest	24.50	-	9.00	9.00
Highest	28.50	-	24.00	19.00
Weighted Average	n/a	-	n/a	n/a
Sales Prices ($/sf)				
Lowest	n/a	-	50.00	30.00
Highest	n/a	-	130.00	100.00
Weighted Average	n/a	-	n/a	n/a

Utility Rates: CBD $2.00 per sf
Outside CBD $2.00 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 500 sf
Outside CBD - 1 per 300 sf

Standard Work Letter: $20.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 10.00%

Cumulative Discount Rate: 15%

Landlord Concessions
- Parking
- Rental Abatement
- Interior Improvements

Leasing Activity Profile

Major Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Finance/Banking
- Government

Minor Activity
- Engineering/Architecture

OUTLOOK

Absorption			Up
Construction			Down
Vacancies			Down
Rental Rates			Down
Landlord Concessions			Up
Sales	Class A	CBD	Down
Prices		Outside CBD	Down
	Class B	CBD	Down
		Outside CBD	Down

DEMOGRAPHICS

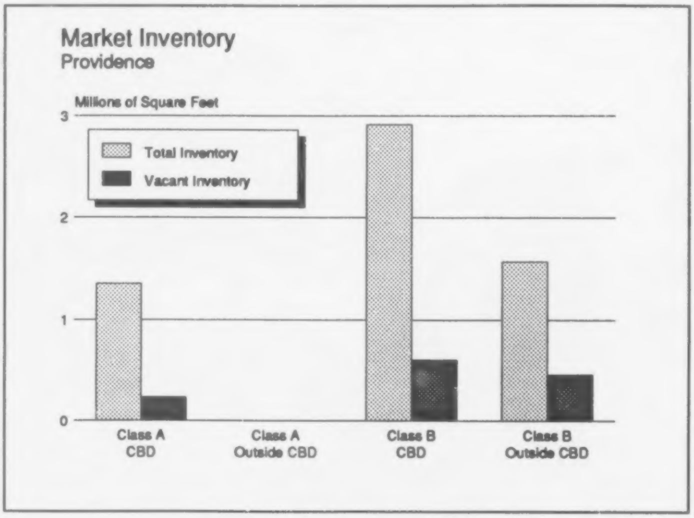
		Rank
Population:	652,263	67
Population Growth Rate:	0.53%	
Unemployment Rate:	5.60%	
Med. Household Income:	$32,830	32
Cost of Living Index:	n/a	n/a

1990 REVIEW

Located 43 miles south of Boston, Providence is the capital of Rhode Island. Since 1985, Providence has forged ahead with its ambitious downtown redevelopment plan. The centerpiece is Capital Center where two Class "A" buildings were recently completed. Although the banking industry is in the midst of consolidation, Providence is emerging as a regional financial center. Fleet National Bank successfully merged with Norstar, American Express located its Shareholder Service Group in the Capital Center, and The Royal Bank of Scotland will base its U.S. operations in Providence after acquiring Citizens Financial Group. The availability of Class "A" office space at lower rents helps Providence attract firms away from more costly northeastern cities. The marketwide vacancy rate stands at 22.2 percent with net absorption of almost 240,000 sq. ft.

1991 FORECAST

The pace of new development will slow markedly in 1991. SIOR's Providence reporter expects a year of healthy absorption. With new construction down, anticipate declining vacancy rates. The Providence office market still contains large amounts of available space which will force rents down. Rental rates are forecasted to drop and the cumulative discount on landlord concessions should rise from the current 15 percent.



QUAD CITIES, IOWA/ILLINOIS: OFFICE

Bettendorf, Davenport, Iowa; East Moline, Moline, and Rock Island, Illinois

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	203,600	n/a	437,900	265,000
Vacant	53,900	n/a	44,004	48,500
Vacancy Rate	26.5%	n/a	10.0%	18.3%
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	n/a	n/a	n/a	n/a
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	n/a	n/a	24,000	8,000
Rental Rates ($/sf)				
Lowest	11.00	n/a	9.00	8.00
Highest	15.00	n/a	13.00	12.00
Weighted Average	12.25	n/a	11.75	11.00
Sales Prices ($/sf)				
Lowest	n/a	n/a	40.00	40.00
Highest	n/a	n/a	n/a	70.00
Weighted Average	n/a	n/a	40.00	60.00

Utility Rates: CBD $1.50 per sf
Outside CBD $1.50 per sf
Separately Metered

Parking Ratio: CBD - 1 per 1,000 sf
Outside CBD - 1 per 500 sf

Standard Work Letter: $22.50 per sf, typically based on dollars per square foot

Operating Cost Escalation: Stop - $2.50 - $3.00

Rate of Return: 10.50%

Cumulative Discount Rate: 5-10%

Landlord Concessions
Interior Improvements

Leasing Activity Profile

Major Activity
- Government

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Finance/Banking
- Engineering/Architecture

OUTLOOK

Absorption		Up 5%
Construction		Same
Vacancies		Down 5-10%
Rental Rates		Up 5%
Landlord Concessions		Same
Sales Prices	Class A CBD	Up 5-10%
	Outside CBD	Up 5-10%
	Class B CBD	Up 5-10%
	Outside CBD	Up 1-10%

DEMOGRAPHICS

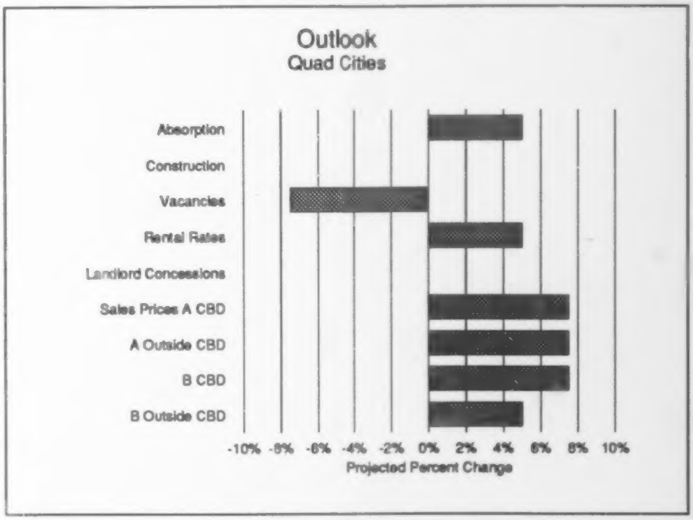
		Rank
Population:	382,940	94
Population Growth Rate:	-0.03%	
Unemployment Rate:	5.70%	
Med. Household Income:	$28,739	78
Cost of Living Index:	102.7	29

1990 REVIEW

The Quad Cities are important farm and farm machinery centers and contain the site of the nation's largest military arsenal. The small office market contains only 906,500 sq. ft. of space. This inventory has not changed from last year. The marketwide vacancy rate dropped not quite a full percentage point to 16.2 percent based on 32,000 sq. ft. of absorption. The leasing activity was dominated by the government.

1991 FORECAST

SIOR's Quad Cities reporter's are optimistic for 1991. There is no new development underway; hence, demand will have a chance to eat away at the existing vacancy rate. In small markets, shifts can occur rapidly and a shortage of space is expected by year-end. This will spur new development. This forecast may be in jeopardy as a result of the national slowdown. Heavily concentrated in farm and construction machinery, the Quad Cities could be hurt by weak business demand for capital goods.



RALEIGH, NORTH CAROLINA: Office

Raleigh, North Carolina

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	648,403	10,651,896	1,223,211	6,076,402
Vacant	75,600	1,590,422	100,277	723,599
Vacancy Rate	11.7%	14.9%	8.2%	11.9%
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	973,972	386,714	0	0
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	12,500	172,479	35,316	-14,661
Rental Rates ($/sf)				
Lowest	16.00	15.00	12.00	12.00
Highest	22.00	18.00	15.00	14.00
Weighted Average	18.00	16.50	13.00	13.00
Sales Prices ($/sf)				
Lowest	80.00	80.00	40.00	60.00
Highest	110.00	110.00	80.00	100.00
Weighted Average	100.00	100.00	60.00	80.00

Utility Rates: CBD $1.60 per sf
Outside CBD $1.60 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 500 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $14.00 per sf, typically based on $/sf and quantity of materials

Operating Cost Escalation: Base Year and Stop - $4.00

Rate of Return: 11.00%

Cumulative Discount Rate: 15%

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Finance/Banking
- Engineering/Architecture
- Government
- Energy

OUTLOOK

Absorption			Down 33%
Construction			Down 25%
Vacancies			Down 30%
Rental Rates			Same
Landlord Concessions			Down 15%
Sales	Class A	CBD	Down 10%
Prices		Outside CBD	Down 10%
	Class B	CBD	Down 10%
		Outside CBD	Down 10%

DEMOGRAPHICS

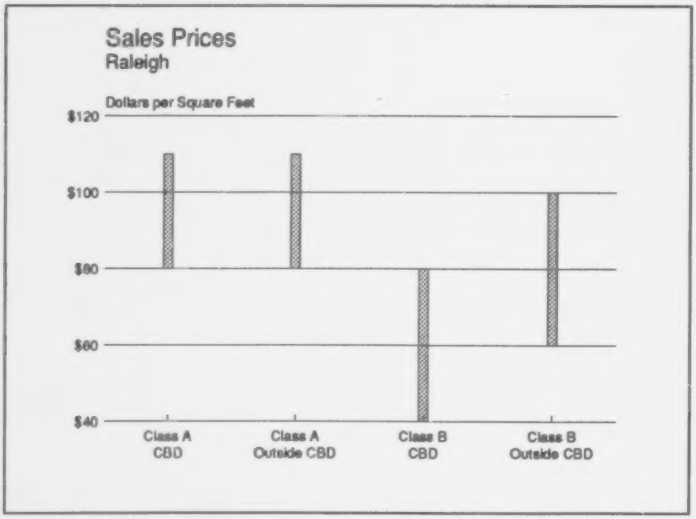
		Rank
Population:	698,979	63
Population Growth Rate:	2.22%	
Unemployment Rate:	2.00%	
Med. Household Income:	$34,805	22
Cost of Living Index:	98.1	52

1990 REVIEW

Stable institutions including state government, universities, and hospitals provided an excellent base for service industry growth into 1990. The local unemployment rate (2.0 percent in September 1990) is one of the lowest in the country. The office market can be characterized as moderately oversupplied. The CBD is particularly strained, with negative net absorption for 1990. Total leasing activity, or "gross absorption" 1990 fell to 1.2 million sq. ft. from a 1989 high of 1.8 million. Quoted rents remain low and subject to concessionary discounts. Limited new construction in 1990 allowed the vacancy rate to fluctuate only moderately for the year.

1991 FORECAST

With limited relocations from outside the market, gross absorption of only one million sq. ft. is projected in 1991. The vacancy rate will rise in 1991 as two major downtown Raleigh office towers will be completed, adding one million sq. ft. of space. Another 250,000 sq. ft. will be delivered in two office buildings in the suburbs. Rental rates are expected to remain flat in light of the continued soft market conditions.



RENO, NEVADA: Office

Reno, Nevada

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	750,000	350,000	600,000	950,000
Vacant	150,000	49,000	30,000	150,000
Vacancy Rate	20.0%	14.0%	5.0%	15.8%
Vacant Sublease	10,000	25,000	15,000	20,000
Under Construction	0	20,000	0	10,000
Substantial Rehab	5,000	6,000	5,000	25,000
Net Absorption	50,000	60,000	10,000	35,000
Rental Rates ($/sf)				
Lowest	13.20	13.20	10.20	9.00
Highest	19.80	19.20	13.20	11.40
Weighted Average	17.40	16.20	12.00	9.60
Sales Prices ($/sf)				
Lowest	100.00	90.00	75.00	40.00
Highest	150.00	145.00	100.00	75.00
Weighted Average	120.00	105.00	85.00	65.00

Utility Rates: CBD $1.50 per sf
Outside CBD $1.50 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 500 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $17.50 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 10.00%

Cumulative Discount Rate: 5-10%

Landlord Concessions
- Rental Abatement
- Interior Improvements

Leasing Activity Profile

Major Activity
- Business Services
- Sales
- Government
- Mining

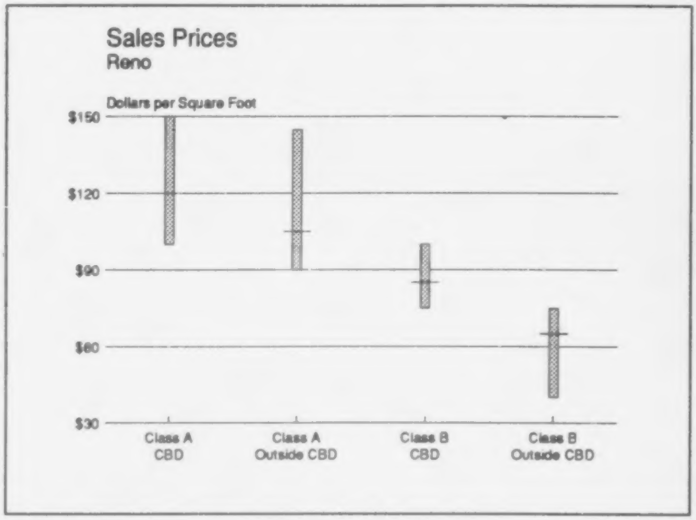
Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Finance/Banking
- Engineering/Architecture
- Energy

OUTLOOK

Absorption		Up 5%
Construction		Down 10%
Vacancies		Down 5%
Rental Rates		Down 5%
Landlord Concessions		Up 5%
Sales Prices	Class A CBD	Same
	Outside CBD	Same
	Class B CBD	Down 5%
	Outside CBD	Down 5%

DEMOGRAPHICS

		Rank
Population:	228,884	10
Population Growth Rate:	1.69%	3
Unemployment Rate:	3.70%	
Med. Household Income:	$30,022	64
Cost of Living Index:	103.1	27



1990 REVIEW

Reno is Nevada's second largest tourist area and an increasingly important business center. This metro area's growth is closely related to the San Francisco Bay Area due to its location on I-80. The Reno office market experienced little change from last year. The composite vacancy rate dropped from 15 percent in 1989 to 14.3 percent in 1990. Average rents in the CBD weakened somewhat, while average rents in the suburbs edged upward. Landlord concessions are limited, offering discounts only between five and 10 percent. The Class "B" sector continues to display more strength than the Class "A" sector in terms of occupancy. According to SIOR's local observer, relocations from California markets were strong in 1990, a result of Nevada's pro-business climate.

1991 FORECAST

Absorption is expected to pick up modestly in 1991, putting downward pressure on vacancy rates. No new major speculative buildings are planned. This will also contribute to the anticipated five percent decrease in vacancies. Sales prices for Class "B" product may offer some bargains. A five percent decrease from the current weighted average range of $65 to $85 is forecast. Sales prices for the Class "A" sector should remain flat.

RICHMOND, VIRGINIA: OFFICE

Richmond, Virginia

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	5,882,621	10,953,515	-	-
Vacant	1,491,669	2,024,538	-	-
Vacancy Rate	25.4%	18.5%	-	-
Vacant Sublease	35,000	0	-	-
Under Construction	0	75,000	-	-
Substantial Rehab	n/a	n/a	-	-
Net Absorption	125,434	534,161	-	-
Rental Rates ($/sf)				
Lowest	18.50	14.00	12.75	10.50
Highest	24.00	17.75	18.00	13.50
Weighted Average	21.50	16.00	15.50	11.50
Sales Prices ($/sf)				
Lowest	n/a	77.00	43.00	22.00
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $1.50 per sf
Outside CBD $1.50 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 500 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $10.00 per sf*, typically based on dollars per square foot

Operating Cost Escalation: Stop - $4.00 outside CBD

Rate of Return: 9.50%

Cumulative Discount Rate: 20-25%

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Signing Bonuses
- Club Memberships

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Finance/Banking

Minor Activity
- Fortune 500 Firms
- Government

OUTLOOK

Absorption			Down 30%
Construction			Same
Vacancies			Down 10-15%
Rental Rates			Same
Landlord Concessions			Same
Sales Prices	Class A	CBD	n/a
		Outside CBD	Down 10-20%
	Class B	CBD	Down
		Outside CBD	Down 10-20%

DEMOGRAPHICS

		Rank
Population:	854,240	57
Population Growth Rate:	1.16%	
Unemployment Rate:	4.20%	
Med. Household Income:	$37,226	16
Cost of Living Index:	n/a	n/a

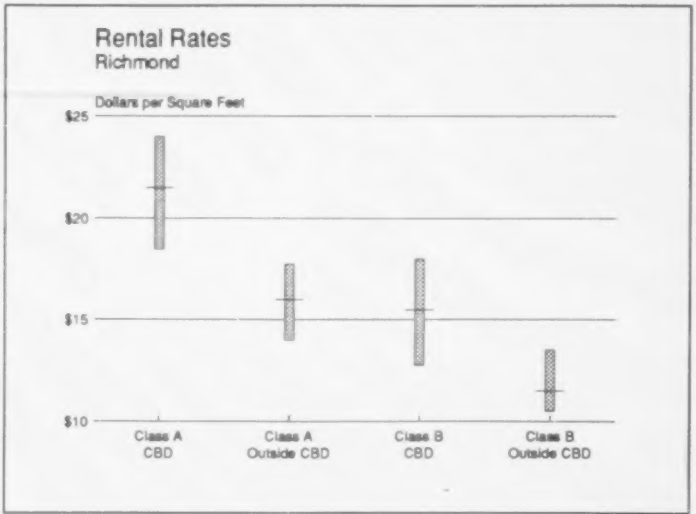
1990 REVIEW

Richmond's transition from an economy highly dependent on tobacco to one strengthened by state and local government and an emerging finance sector has been successful. The metro area's financial district is downtown. The Federal Reserve Bank of Richmond has attracted key divisions of several commercial banks. Additionally, over 30 insurance companies have based their operations in Richmond. As forecasted last year, most market measures were down in 1990. Absorption declined from over one million sq. ft. last year to only 660,000 sq. ft. this year. The large supply of new office space forced the vacancy rate up over three percentage points to 20.9 percent. Rents are significantly discounted.

1991 FORECAST

Improvement is forecast for 1990. There is no major development going on downtown, and there is minimal construction activity in the suburbs. Even with a forecasted decline in absorption, the lull in construction should be enough to begin to push the vacancy rate downward. The majority of leasing transactions should continue to be the result of move-ups and existing tenant expansion. Rental rates are expected to remain flat with continued generous concession packages.

* Below a finished ceiling.



ROANOKE, VIRGINIA: OFFICE

Roanoke, Virginia

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	802,904	535,180	195,531	497,992
Vacant	56,747	119,104	14,130	55,010
Vacancy Rate	7.1%	22.3%	7.2%	11.0%
Vacant Sublease	n/a	n/a	n/a	14,000
Under Construction	175,000	n/a	n/a	n/a
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	-12,077	55,528	10,220	8,969
Rental Rates ($/sf)				
Lowest	12.00	12.50	8.00	8.00
Highest	15.00	15.50	11.50	13.00
Weighted Average	12.82	14.03	11.00	10.81
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $1.50 per sf
Outside CBD $1.50 per sf
Not Separately Metered

Parking Ratio: CBD - n/a
Outside CBD - 1 per 250 sf

Standard Work Letter: $25.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year and Stop - $3.50

Rate of Return: n/a

Cumulative Discount Rate: 8%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Fortune 500 Firms
- Insurance

Minor Activity
- Legal/Accounting
- Business Services
- Sales
- Finance/Banking
- Engineering/Architecture
- Government
- Energy

OUTLOOK

Absorption		Up 3-5%
Construction		Same
Vacancies		Down 3-5%
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	n/a
	Outside CBD	n/a
	Class B CBD	n/a
	Outside CBD	n/a

DEMOGRAPHICS

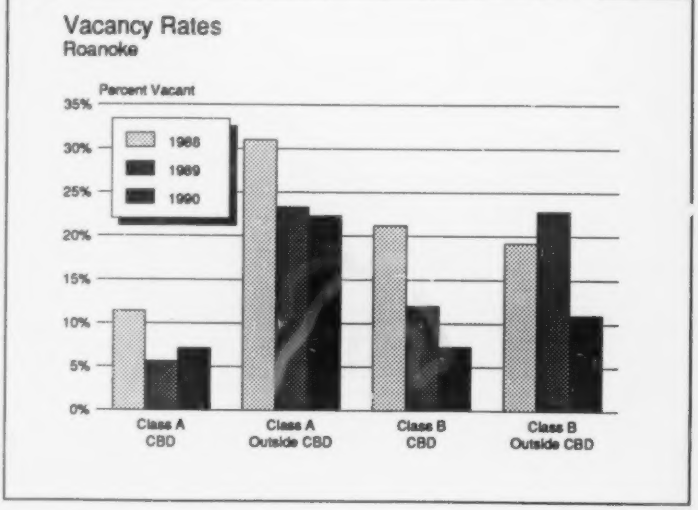
		Rank
Population:	229,961	10
Population Growth Rate:	0.43%	2
Unemployment Rate:	3.80%	
Med. Household Income:	$31,172	48
Cost of Living Index:	96.6	57

1990 REVIEW

Roanoke is the largest metropolitan area in Virginia's Shenandoah Valley. Its economic base centers around agriculture, tourism, and manufacturing. The office market contains just over two million sq. ft. of space. The downtown is particularly healthy, boasting a vacancy rate of 7.1 percent. The suburbs registered a higher level of net absorption but by year-end vacancies stood at 16.9 percent. According to SIOR's local researcher, demand for larger first class space was strong in 1990 and leasing was dominated by insurance firms.

1991 FORECAST

The outlook for the Roanoke office market in 1991 is optimistic. Absorption levels are expected to pick up modestly. No new speculative development with the exception of a 175,000 sq. ft. building now under construction downtown that is 75 percent pre-leased is anticipated. Hence, vacancies will be in position to edge downward.



ROCHESTER, NEW YORK: OFFICE

Rochester, New York

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	2,885,200	1,380,455	3,421,881	2,231,360
Vacant	335,950	83,860	458,800	172,090
Vacancy Rate	11.6%	6.1%	13.4%	7.7%
Vacant Sublease	50,000	0	0	0
Under Construction	0	0	0	0
Substantial Rehab	0	0	0	0
Net Absorption	327,040	350,000	85,840	-9,000
Rental Rates ($/sf)				
Lowest	16.00	15.50	8.00	9.00
Highest	25.00	19.50	16.00	12.00
Weighted Average	19.50	17.50	10.75	10.00
Sales Prices ($/sf)				
Lowest	40.00	90.00	20.00	40.00
Highest	90.00	100.00	35.00	50.00
Weighted Average	75.00	95.00	27.50	45.00

Utility Rates: CBD $2.50 per sf
Outside CBD $2.00 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 250 sf
Outside CBD - 1 per 166 sf

Standard Work Letter: $14.50 per sf, typically based on quantity of materals

Operating Cost Escalation: Base Year

Rate of Return: 11.50%

Cumulative Discount Rate: 15-20%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Signing Bonuses

Leasing Activity Profile

Major Activity
- Legal/Accounting

Minor Activity
- Fortune 500 Firms
- Insurance
- Business Services
- Sales
- Finance/Banking
- Engineering/Architecture

OUTLOOK

Absorption		Down 10%
Construction		Down 50%
Vacancies		Up 5-7%
Rental Rates		Down 10-20%
Landlord Concessions		Up 10%
Sales Prices	Class A CBD	Same
	Outside CBD	Same
	Class B CBD	Same
	Outside CBD	Same

DEMOGRAPHICS

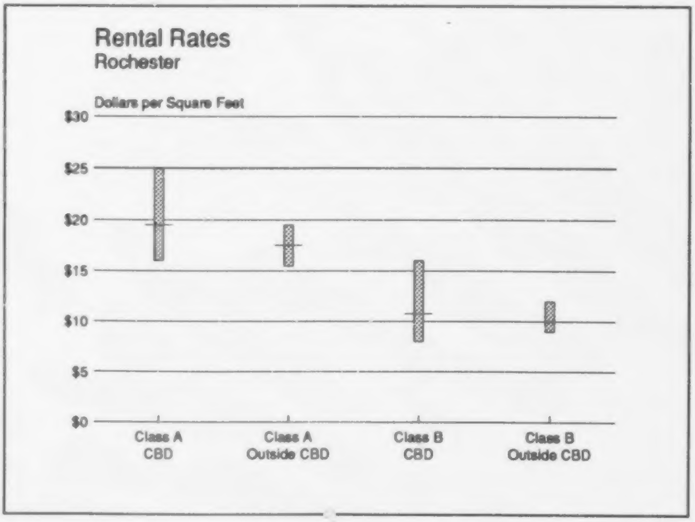
		Rank
Population:	999,551	48
Population Growth Rate:	0.29%	
Unemployment Rate:	3.40%	
Med. Household Income:	$33,996	26
Cost of Living Index:	n/a	n/a

1990 REVIEW

Rochester is truly a company town. Kodak and Xerox are the city's two largest employers, followed by General Motors and Bausch & Lomb. It is one of the least diversified MSAs in the country and has a higher than average share of manufacturing jobs. Recent cutbacks and restructuring at Kodak and Xerox have directly affected all parts of the city's economy. Sales of computers, data processing, as well as business services such as accounting, engineering, architecture, and equipment rental are all on the rise. Demand for office space has not kept pace with the amount of new space added in the past 12 months. Vacancy rates increased slightly and the downtown market softened as firms relocated to the suburbs.

1991 FORECAST

While the recent cutbacks at Kodak and Xerox have repositioned the companies to ensure their long-term strength, short-term growth will be negligible. This slowdown will result in a decline in leasing activity, increased vacancies, and a drop in rental rates. Rochester will have to hope for long-term benefits from areas such as the U.S.-Canadian Free Trade Agreement and the ability of the well-educated, younger population to bring success to Kodak, Xerox, General Motors, and Bausch & Lomb.



SACRAMENTO, CALIFORNIA: OFFICE

Metropolitan Sacramento

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	4,000,000	10,000,000	3,300,000	12,000,000
Vacant	200,000	1,000,000	300,000	2,800,000
Vacancy Rate	5.0%	10.0%	9.1%	23.3%
Vacant Sublease	20,000	10,000	30,000	50,000
Under Construction	1,283,000	1,238,916	50,000	150,000
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	1,100,000	1,500,000	100,000	250,000
Rental Rates ($/sf)				
Lowest	24.00	17.40	18.00	15.00
Highest	30.00	22.20	22.20	17.40
Weighted Average	27.00	20.40	21.00	15.00
Sales Prices ($/sf)				
Lowest	170.00	130.00	150.00	105.00
Highest	220.00	160.00	180.00	140.00
Weighted Average	195.00	150.00	160.00	130.00

Utility Rates: CBD $1.80 per sf
Outside CBD $1.44 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 600 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $23.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Stop - CBD: $5.75; Outside CBD: $5.00

Rate of Return: 8.90%

Cumulative Discount Rate: 10%

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Government

Minor Activity
- Finance/Banking
- Engineering/Architecture
- Energy

OUTLOOK

Absorption		Down 16%
Construction		Down 60%
Vacancies		Down 4%
Rental Rates		Up 5%
Landlord Concessions		Down 50%
Sales Prices	Class A CBD	Up 10%
	Outside CBD	Same
	Class B CBD	Same
	Outside CBD	Same

DEMOGRAPHICS

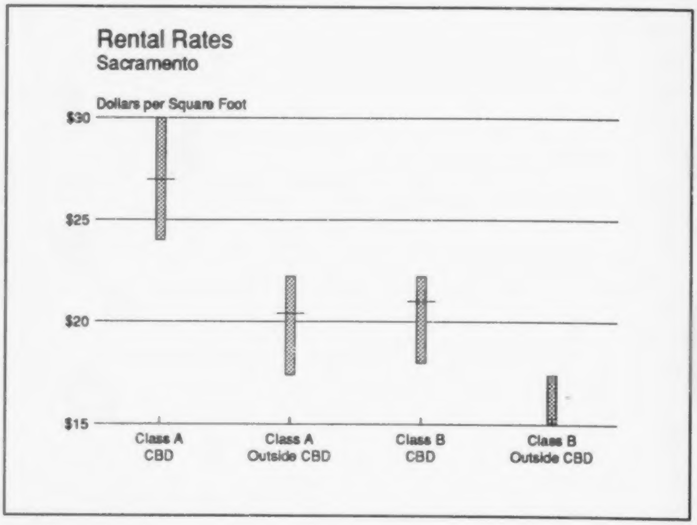
		Rank
Population:	1,473,006	30
Population Growth Rate:	2.96%	
Unemployment Rate:	4.70%	
Med. Household Income:	$30,807	54
Cost of Living Index:	114.5	8

1990 REVIEW

As the capital of California, Sacramento is an important government, agribusiness, and distribution center. Of the large metro areas in California, Sacramento has the brightest outlook in terms of employment and income growth. The Central Valley's attractive cost structure and skilled labor has continued to lure businesses and residents into the area. Kemper National Insurance has relocated a regional sales office to Sacramento. The high-technology sector received a boost from the relocation plans of NEC and Synesis Corp. of San Jose. The Sacramento office market strengthened in 1990. Net absorption was strong with nearly three million sq. ft. leased. This was spurred by the relocations of CIGNA, MCI, and Firemans Fund. The composite vacancy rate stands at 14.7 percent, especially impressive given the intense office development that has occurred in this market.

1991 FORECAST

The Sacramento office market shows no signs of weakness for 1991. Absorption is expected to decline modestly, primarily due to a lack of product. The credit crunch has had an effect on this market. No new suburban development is on-line for 1991, while downtown development continues. As the office product continues to be leased up, SIOR's local researcher expects Sacramento to be a landlord's market by year-end.



St. Louis, Missouri: Office

St. Louis Metropolitan Area

Market Data

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	7,212,000	12,499,000	7,675,000	10,056,000
Vacant	1,528,900	1,887,300	2,550,094	1,202,700
Vacancy Rate	21.2%	15.1%	33.2%	12.0%
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	65,000	135,000	0	0
Substantial Rehab	750,000	0	0	0
Net Absorption	176,000	805,000	252,000	15,000
Rental Rates ($/sf)				
Lowest	15.00	16.00	10.00	12.50
Highest	35.00	24.00	15.25	15.50
Weighted Average	25.00	20.00	11.25	14.50
Sales Prices ($/sf)				
Lowest	n/a	40.00	15.00	35.00
Highest	n/a	80.00	30.00	60.00
Weighted Average	n/a	65.00	n/a	55.00

Utility Rates: CBD $2.00 per sf
Outside CBD $1.50 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 1,000 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $23.50 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year and Stop - $5.75

Rate of Return: 11.00%

Cumulative Discount Rate: n/a

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Club Memberships

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance

Minor Activity
- Fortune 500 Firms
- Business Services
- Sales
- Engineering/Architecture
- Government
- Energy

Outlook

Absorption		Down 15%
Construction		Down 100%
Vacancies		Down 2%
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	Same
	Outside CBD	Same
	Class B CBD	Down 10%
	Outside CBD	Down 10%

Demographics

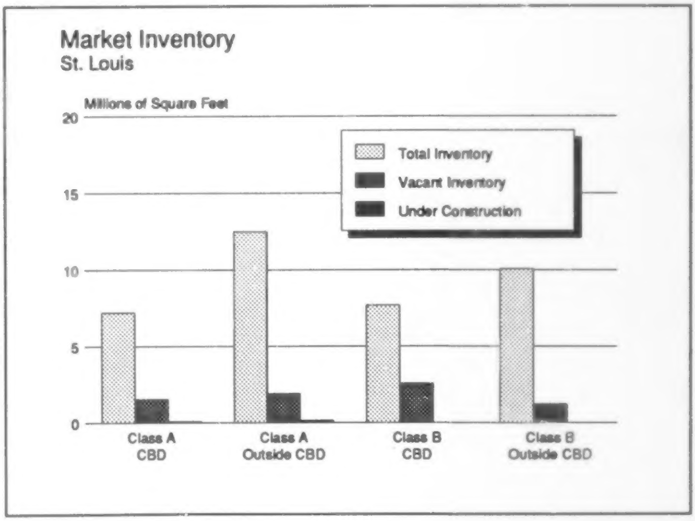
		Rank
Population:	2,618,487	12
Population Growth Rate:	0.89%	
Unemployment Rate:	6.10%	
Med. Household Income:	$33,398	28
Cost of Living Index:	98.1	50

1990 Review

Contractors such as McDonnell Douglas and General Dynamics benefitted directly from the Reagan defense build-up in the 1980s. Now with cuts in the defense budget and the beleaguered state of the U.S. auto industry, some 18,000 jobs are projected to be lost through 1992. Office vacancies remained high in 1990 as demand slowed. Of the 37.4 million sq. ft. inventory in the market, 19.2 percent of the space was vacant. The vacancy rate for the 14.9 million sq. ft. downtown market increased to 27.4 percent. The suburbs enjoy a healthier 13.7 percent vacancy rate. Rents remained flat in 1990.

1991 Forecast

With minimal speculative development in 1991, even modest absorption rates should help bring the vacancy rates down. While some believe rents may begin to rise in certain submarkets, slow job growth may dampen these hopes. The below average education level of the workforce, the highly specialized skilled laborers that will be laid off, and the older population base are not conducive to healthy labor force growth in the office-space using sector. Industries that are expected to see healthy growth include computer services, data processing, and engineering services. These industries will help compensate for contractions elsewhere.



SALT LAKE CITY, UTAH: Office

Salt Lake City, Ogden, and Provo

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	3,000,000	1,500,000	2,500,000	2,000,000
Vacant	400,000	300,000	350,000	350,000
Vacancy Rate	13.3%	20.0%	14.0%	17.5%
Vacant Sublease	30,000	n/a	n/a	n/a
Under Construction	300,000	150,000	50,000	50,000
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	400,000	150,000	100,000	40,000
Rental Rates ($/sf)				
Lowest	12.00	11.00	10.50	8.50
Highest	22.00	16.50	12.00	10.00
Weighted Average	18.00	15.00	11.00	9.50
Sales Prices ($/sf)				
Lowest	80.00	50.00	60.00	40.00
Highest	125.00	100.00	80.00	60.00
Weighted Average	100.00	75.00	70.00	50.00

Utility Rates: CBD $2.00 per sf
Outside CBD $1.50 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 500 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $20.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Stop - $4.00 - $5.00

Rate of Return: 11.00%

Cumulative Discount Rate: 20-25%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Business Services
- Engineering/Architecture

Minor Activity
- Fortune 500 Firms
- Sales
- Finance/Banking
- Government
- Energy

OUTLOOK

Absorption			Up 20%
Construction			Same
Vacancies			Down 5%
Rental Rates			Up 10%
Landlord Concessions			Down 30%
Sales	Class A	CBD	Down 10%
Prices		Outside CBD	Down 20%
	Class B	CBD	Down 20%
		Outside CBD	Down 25%

DEMOGRAPHICS

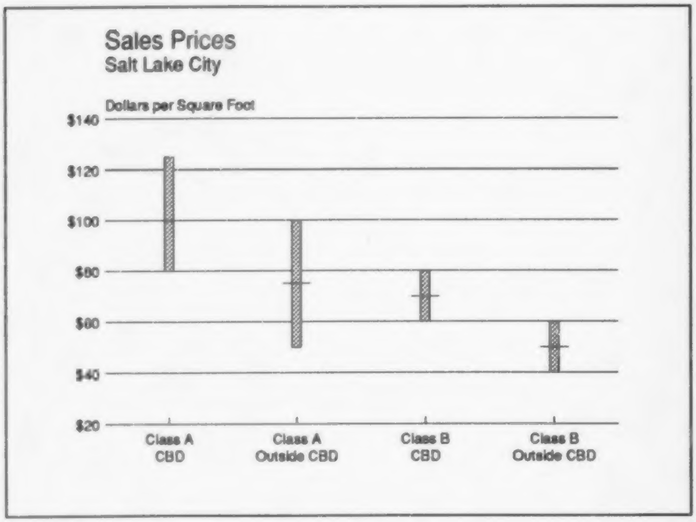
		Rank
Population:	1,087,588	43
Population Growth Rate:	1.80%	
Unemployment Rate:	4.10%	
Med. Household Income:	$29,864	66
Cost of Living Index:	n/a	n/a

1990 REVIEW

Salt Lake City is a leading warehousing and distribution center for the Rocky Mountain region. Telemarketers continue to find this metro area attractive. Discover Card Services Inc. has joined Sears, J.C. Penney, and Marriott Hotels existing operations. Construction activity remains moderate, allowing the office market to continue its slow recovery. The composite vacancy rate is 15.6 percent and net absorption registered 690,000 sq. ft. in 1990. Foreign investment is not yet common in this market. Office building sales prices range from $50 to $100 per sq. ft. Landlord concessions are common and cumulative discounts range from 20 to 25 percent.

1991 FORECAST

SIOR's local reporter is optimistic about the direction of the market in 1991. Construction activity should be slower this year, and a modest increase in absorption will bring vacancies down. Tighter financing constraints are expected to shift development from speculative projects to build-to-suit opportunities. Strong user relocations should continue due to the skilled labor force and favorable tax laws.



SAN ANTONIO, TEXAS: Office

San Antonio, Texas

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	2,657,163	6,030,000	2,653,061	10,247,784
Vacant	498,181	1,627,009	970,893	3,000,980
Vacancy Rate	18.7%	27.0%	36.6%	29.3%
Vacant Sublease	n/a	45,000	n/a	n/a
Under Construction	0	0	0	0
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	42,180	200,000	20,893	-6,204
Rental Rates ($/sf)				
Lowest	11.00	10.80	10.20	7.20
Highest	14.00	16.00	11.00	11.00
Weighted Average	13.50	13.60	10.60	9.50
Sales Prices ($/sf)				
Lowest	20.00	45.00	n/a	n/a
Highest	n/a	70.00	50.00	n/a
Weighted Average	n/a	57.00	n/a	n/a

Utility Rates: CBD $1.70 per sf
Outside CBD $1.70 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 100 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $11.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year and Stop - $4.50 - $5.50

Rate of Return: 11.00%

Cumulative Discount Rate: n/a

Landlord Concessions
- Parking
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Signing Bonuses
- Club Memberships
- Expansion and Renewal Options

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Business Services
- Finance/Banking
- Government
- Agri-Business
- Tourism

Minor Activity
- Fortune 500 Firms
- Sales
- Engineering/Architecture

1990 REVIEW

San Antonio is an important convention and tourist center. It also serves as the financial services and medical center for southern Texas. With the local economy growing at a slow pace, the office market in San Antonio still suffers from the severe overbuilding of the mid-1980s. Even the lull of new speculative development cannot correct a market with low demand growth. In 1990, net absorption levels were down sharply to only 256,869 sq. ft. The overall vacancy rate remained high at 28.2 percent. Few office building sales have occurred and many properties are held by the RTC, FDIC, and insurance companies. Rental rates remained depressed, with top quality space getting an average of $13.50 per sq. ft. Leases are still being written for only one to three years in anticipation of improvement in the market.

1991 FORECAST

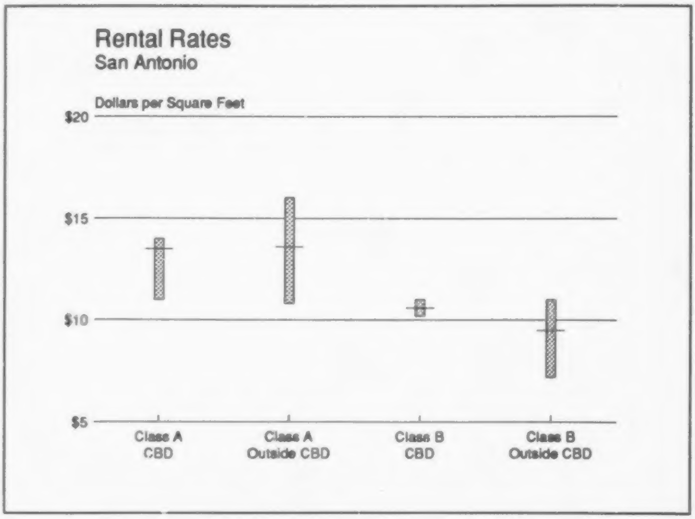
San Antonio's office market outlook for 1991 features declining vacancy rates. Most other market characteristics are expected to remain unchanged. No new speculative development is expected to come on-line in 1991. The CBD has large contiguous blocks of space available due to bank consolidations. Improvement in the local economy is forecast to continue slow but steady. Tourism, international trade, and agri-business should stimulate the local economy.

OUTLOOK

Absorption			Same
Construction			Same
Vacancies			Down 5%
Rental Rates			Same
Landlord Concessions			Same
Sales Prices	Class A	CBD	Same
		Outside CBD	Same
	Class B	CBD	Down
		Outside CBD	Down

DEMOGRAPHICS

		Rank
Population:	1,375,309	36
Population Growth Rate:	2.52%	
Unemployment Rate:	7.10%	
Med. Household Income:	$25,322	96
Cost of Living Index:	94.3	67



SAN DIEGO, CALIFORNIA: Office

San Diego, California

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	5,251,318	21,177,822	3,448,799	10,392,058
Vacant	792,410	5,610,346	529,297	1,773,810
Vacancy Rate	15.1%	26.5%	15.3%	17.1%
Vacant Sublease	360,000	400,000	0	0
Under Construction	974,000	578,000	0	0
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	319,000	2,127,353	252,879	453,130
Rental Rates ($/sf)				
Lowest	15.00	12.00	6.00	7.80
Highest	31.20	39.60	24.00	30.00
Weighted Average	23.10	25.80	15.00	18.90
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	169.00	108.00
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $21.60 per sf
Outside CBD $14.40 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 1,000 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $20.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year and Stop - $3.60 - $6.00

Rate of Return: 8.50%

Cumulative Discount Rate: n/a

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Engineering/Architecture
- Government
- Biomedical/Electronic

Minor Activity
- Fortune 500 Firms
- Finance/Banking
- Energy

OUTLOOK

Absorption		Up 5%
Construction		Up 2%
Vacancies		Up 10%
Rental Rates		Up 12%
Landlord Concessions		n/a
Sales Prices	Class A CBD	Same
	Outside CBD	Same
	Class B CBD	Same
	Outside CBD	Same

DEMOGRAPHICS

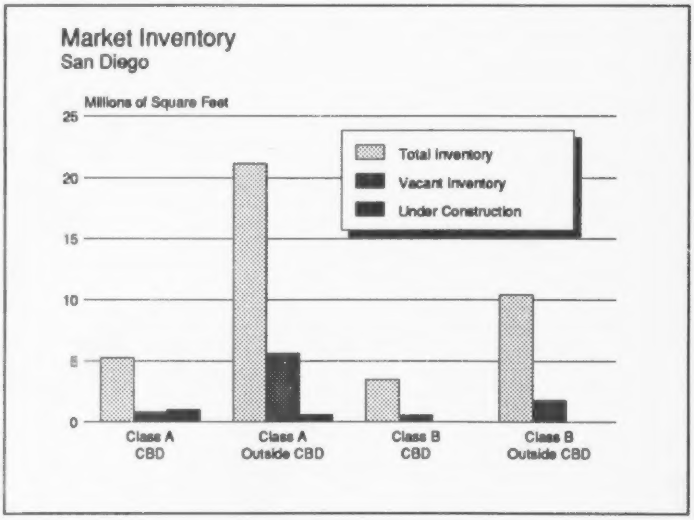
		Rank
Population:	2,487,856	14
Population Growth Rate:	2.94%	
Unemployment Rate:	5.10%	
Med. Household Income:	$31,350	47
Cost of Living Index:	131.2	2

1990 REVIEW

San Diego's office market was able to take on a significant amount of new space in 1990 with the composite vacancy rate rising only slightly. Last year nearly four million sq. ft. of space was under construction. With net absorption down somewhat, the still healthy 3.2 million sq. ft. leased kept the overall vacancy under 22 percent. Although larger tenant expansion has slowed, service-related tenants have picked up the pace. Submarkets such as Mission Valley increased absorption over last year. Suburban Class "A" space continues to register as the weakest market sector. The San Diego researcher has indicated that a new trend taking place in the metro area is the purchasing of vacant Class "B" buildings. Building owners are not willing to hold on to their properties through a sluggish economy and are selling to owner/users.

1991 FORECAST

The defense industry, a major contributor to San Diego's economy, is likely to come under increased pressure as a result of federal spending cuts. Other sectors, such as international trade, particularly the maquiladora system with Mexico, are expected to pick up the slack. Absorption is forecast to rise a modest five percent. However, with 1.6 million sq. ft. of office space under construction and more on the way the outlook is for rising vacancy rates.



SAN FRANCISCO, CALIFORNIA: OFFICE

San Francisco, California

MARKET DATA

Inventory (sf)	Class A CBD	Class A Outside CBD	Class B CBD	Class B Outside CBD
Total	30,240,981	2,965,113	17,735,642	6,585,469
Vacant	4,177,055	429,417	2,864,385	1,194,830
Vacancy Rate	13.8%	14.5%	16.2%	18.1%
Vacant Sublease	1,061,556	31,044	329,456	101,883
Under Construction	715,580	0	0	0
Substantial Rehab	0	0	0	0
Net Absorption	934,513	103,835	92,500	23,125
Rental Rates ($/sf)				
Lowest	11.00	15.00	9.90	9.00
Highest	42.00	28.00	30.00	22.00
Weighted Average	24.61	21.80	17.35	15.14
Sales Prices ($/sf)				
Lowest	243.00	132.00	101.00	96.00
Highest	243.00	132.00	213.00	188.00
Weighted Average	243.00	132.00	182.00	160.00

Utility Rates: CBD $1.56 per sf
Outside CBD $1.56 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 3,500 sf
Outside CBD - 1 per 1,000 sf

Standard Work Letter: $30.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year and Stop - $8.50

Rate of Return: 6.50%

Cumulative Discount Rate: 10-15%

Landlord Concessions
- Rental Abatement
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Finance/Banking
- Government
- Software

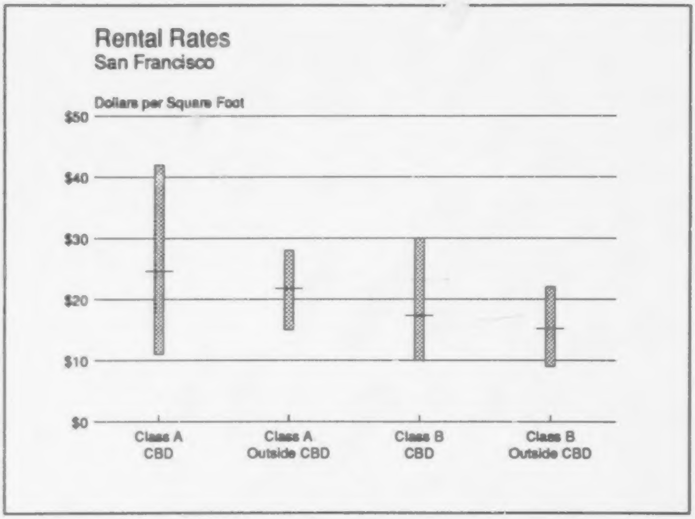
Minor Activity
- Fortune 500 Firms
- Business Services
- Sales

OUTLOOK

Absorption		Same
Construction		Down 30%
Vacancies		Down 10%
Rental Rates		Up 10%
Landlord Concessions		Down 5%
Sales Prices	Class A CBD	Down 5%
	Outside CBD	Down 10%
	Class B CBD	Down 10%
	Outside CBD	Down 15%

DEMOGRAPHICS

		Rank
Population:	1,568,360	29
Population Growth Rate:	0.52%	
Unemployment Rate:	3.70%	
Med. Household Income:	$37,646	13
Cost of Living Index:	n/a	n/a



1990 REVIEW

The October 1989 earthquake displaced many tenants from their buildings and created significant demand for new space. San Francisco's stringent development restrictions make it difficult to meet this demand as office building permits can total only 475,000 sq. ft. in a given year. The composite vacancy rate stands at 15.1 percent based on net absorption of 1.2 million sq. ft. of space. Most building owners view the current market as a stand-off between buyers and sellers. Shuwa made one of the few major foreign investments with the purchase of 150 Spear Street at a price of $243 per sq. ft.

1991 FORECAST

The market indicators for the San Francisco office market are positive for 1991. Absorption will remain on par with last year's figures and construction will slow due to both the stricter lending environment and the local restrictions. This will force vacancies down and increase rental rates. Landlord concessions should become less favorable. The risks in this market, therefore, are not the result of excess supply but rather rapidly rising costs and development restrictions forcing employers out of the metro area.

SAN MATEO, CALIFORNIA: Office

San Mateo, California

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	-	7,849,322	-	8,800,802
Vacant	-	1,549,600	-	1,451,980
Vacancy Rate	-	19.7%	-	16.5%
Vacant Sublease	-	259,786	-	207,436
Under Construction	-	239,000	-	0
Substantial Rehab	-	n/a	-	n/a
Net Absorption	-	250,000	-	100,000
Rental Rates ($/sf)				
Lowest	-	16.20	-	12.00
Highest	-	23.40	-	19.20
Weighted Average	-	n/a	-	n/a
Sales Prices ($/sf)				
Lowest	-	85.00	-	60.00
Highest	-	125.00	-	85.00
Weighted Average	-	n/a	-	n/a

Utility Rates: CBD n/a
Outside CBD $1.30 per sf
Not Separately Metered

Parking Ratio: CBD - n/a
Outside CBD - 1 per 350 sf

Standard Work Letter: $20.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year and Stop

Rate of Return: n/a

Cumulative Discount Rate: n/a

Landlord Concessions
- Parking
- Rental Abatement
- Moving Allowance
- Interior Improvements
- Stepped Rent

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Software

Minor Activity
- Fortune 500 Firms
- Finance/Banking
- Engineering/Architecture
- Government
- Energy

OUTLOOK

Absorption			Down 50%
Construction			Down 90%
Vacancies			Up 25%
Rental Rates			Down 10%
Landlord Concessions			Up 25%
Sales Prices	Class A	CBD	n/a
		Outside CBD	Down 50%
	Class B	CBD	n/a
		Outside CBD	Down 50%

DEMOGRAPHICS

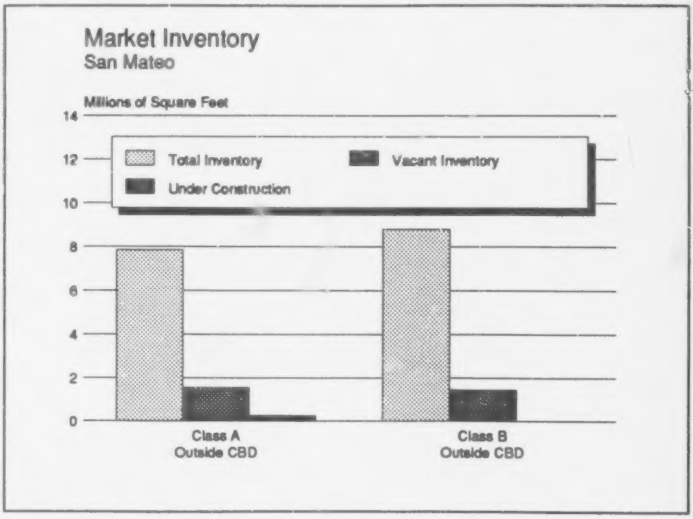
		Rank
Population:	641,532	68
Population Growth Rate:	0.89%	
Unemployment Rate:	4.00%	
Med. Household Income:	$40,394	11
Cost of Living Index:	n/a	n/a

1990 REVIEW

San Mateo County is located on the San Francisco Peninsula. This office market contains 16.7 million sq. ft. of space and does not focus around a CBD. It is instead a continuous stream of small cities and freeway office areas. The pace of absorption has slowed as many firms are taking a "wait-and-see" attitude. San Mateo's leading industry, computers and related technology, is slowing after recent rapid expansion. The marketwide vacancy rate is 18 percent with net absorption of 350,000 sq. ft. in 1990. New office development is virtually non-existent. One building with a substantial anchor tenant is under construction.

1991 FORECAST

SIOR's San Mateo researcher expects 1991 to be a tough year for this office market. Absorption levels are forecast to be cut in half. Even with almost no new supply coming to the market, vacancies may be up considerably. The leasing market in turn will favor the tenants. Rental rates should drop and landlord concessions grow more generous. This office market should benefit from the return of easy access to San Francisco's financial district when the earthquake damage to I-280 is repaired.



SEATTLE, WASHINGTON: OFFICE

Seattle Central Business District

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	19,168,937	2,663,514	4,249,475	958,506
Vacant	2,747,134	416,335	472,451	118,397
Vacancy Rate	14.3%	15.6%	11.1%	12.4%
Vacant Sublease	272,412	5,280	97,791	0
Under Construction	427,400	116,140	n/a	n/a
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	788,000*	286,000*		
Rental Rates ($/sf)				
Lowest	11.50	8.75	5.00	9.00
Highest	32.50	17.50	16.50	16.00
Weighted Average	22.33	16.20	12.42	13.18
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $6.00 per sf
Outside CBD $5.00 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 1,000 sf
Outside CBD - 1 per 200 sf

Standard Work Letter: $35.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: n/a

Cumulative Discount Rate: 20%

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Signing Bonuses
- Club Memberships

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Finance/Banking
- Engineering/Architecture

Minor Activity
- Insurance
- Business Services
- Sales
- Government

OUTLOOK

Absorption			Same
Construction			Down
Vacancies			Down
Rental Rates			Up
Landlord Concessions			Same
Sales	Class A	CBD	n/a
Prices		Outside CBD	n/a
	Class B	CBD	n/a
		Outside CBD	n/a

DEMOGRAPHICS

		Rank
Population:	1,867,574	26
Population Growth Rate:	1.51%	
Unemployment Rate:	3.40%	
Med. Household Income:	$34,271	23
Cost of Living Index:	112.9	11

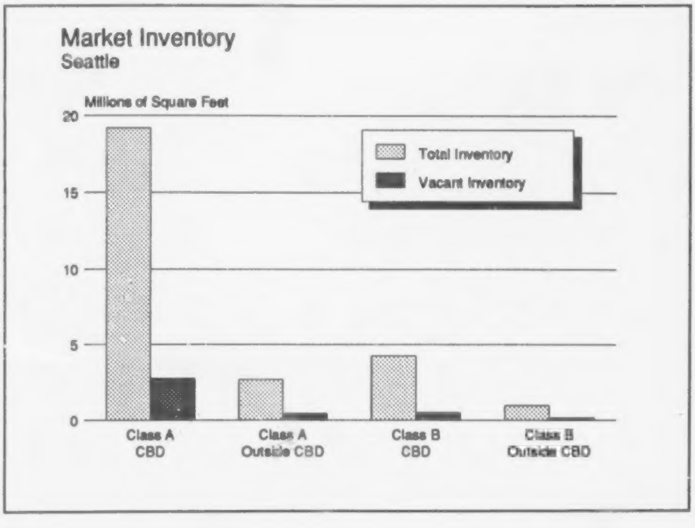
1990 REVIEW

Seattle's economy has performed strongly based on the strength of the Boeing Company and the thriving Pacific Rim foreign trade sector. Hailed as a top U.S. city for business location, new residents and employers flooded the metro area. In response, the city has instituted infrastructure improvements and growth management initiatives to keep Seattle attractive. In 1990, the Seattle office market had a 13.9 percent vacancy rate for its 27 million sq. ft. inventory. Net absorption was off from last year but still registered a strong 1.1 million sq. ft., exceeding the amount of new construction.

1991 FORECAST

Demand for office space should be strong again in 1991. The Citizens Alternative Plan (CAP) legislation, which established a ceiling on downtown growth, will hold down new construction levels. Under these conditions the composite vacancy rate should drop while rental rates rise.

*(Note: Net absorption figures include both Class "A" and Class "B" markets.)



SEATTLE-GREATER EASTSIDE, WASHINGTON: Office

Seattle-Greater Eastside, Washington

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	3,333,684	4,556,368	399,248	4,751,118
Vacant	400,408	511,131	88,465	703,688
Vacancy Rate	12.0%	11.2%	22.2%	14.8%
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	0	243,531	0	26,800
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	115,330	656,211	68,993	353,344
Rental Rates ($/sf)				
Lowest	16.50	16.50	12.00	14.00
Highest	27.50	36.00	18.50	14.00
Weighted Average	n/a	n/a	n/a	n/a
Sales Prices ($/sf)				
Lowest	124.24	108.66	83.13	61.11
Highest	124.24	162.68	83.13	151.75
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $1.50-2.00 per sf
Outside CBD $1.50-2.00 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 500 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $24.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 9.50%

Cumulative Discount Rate: 8-12%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Business Services
- Sales
- Engineering/Architecture

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Finance/Banking
- Government

OUTLOOK

Absorption		n/a
Construction		Down 50%
Vacancies		Down 50%
Rental Rates		Up 15%
Landlord Concessions		Down 25%
Sales Prices	Class A CBD	Same
	Outside CBD	Up 10-15%
	Class B CBD	Up 10-15%
	Outside CBD	Up 10-15%

DEMOGRAPHICS

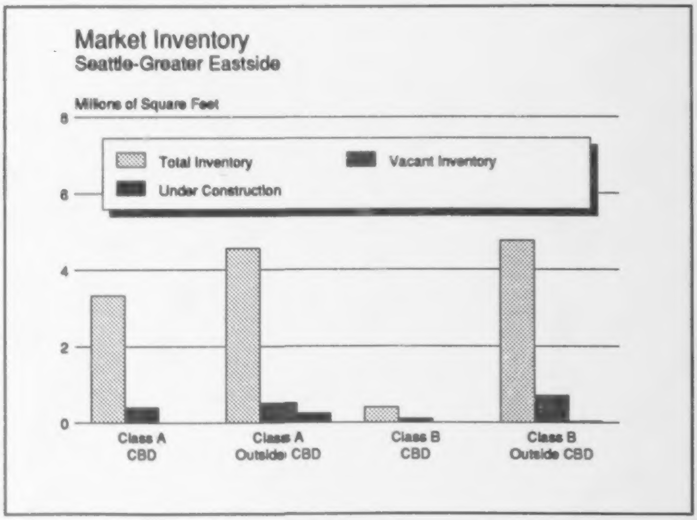
		Rank
Population:	1,867,574	26
Population Growth Rate:	1.51%	
Unemployment Rate:	3.40%	
Med. Household Income:	$34,271	23
Cost of Living Index:	112.9	11

1990 REVIEW

Greater Eastside, a suburban Seattle office market, contains over 13 million sq. ft. of office space. Net absorption continued very strong with over one million sq. ft. leased in 1990. SIOR's local reporter indicates that it is already difficult for tenants to find spaces larger than 10,000 sq. ft. The local economy is driven by Boeing Company and by Microsoft, as well as other software companies. Rental rates exceed $20 per sq. ft. for Class "A" space and, while landlord concessions exist, they are minimal. Foreign and out-of-state investors have shown increased levels of interest in purchasing office projects.

1991 FORECAST

SIOR's market observer predicts that most market measures will be positive during this year. New construction levels will be down with less than 300,000 sq. ft. currently under construction. The lack of available close in land sites, wetlands issues, traffic mitigation concerns, and tougher financing have all contributed to the decline in development. The slow down in construction is expected to lead to a declining vacancy rate and potential space constraints.



SHREVEPORT, LOUISIANA: Office

Shreveport, Louisiana

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	1,629,516	681,515	582,797	812,249
Vacant	365,070	107,853	110,942	303,144
Vacancy Rate	22.4%	15.8%	19.0%	37.3%
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	0	0	0	0
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	0	20,445	0	0
Rental Rates ($/sf)				
Lowest	9.00	9.50	7.00	8.00
Highest	15.00	12.00	9.00	9.00
Weighted Average	11.50	10.50	8.50	8.50
Sales Prices ($/sf)				
Lowest	n/a	20.00	n/a	20.00
Highest	50.00	70.00	n/a	50.00
Weighted Average	n/a	40.00	n/a	n/a

Utility Rates: CBD $1.15 per sf
Outside CBD $1.15 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 500 sf
Outside CBD - 1 per 200 sf

Standard Work Letter: $15.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year and Stop - $4.50

Rate of Return: 9.50%

Cumulative Discount Rate: 10%

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Finance/Banking
- Engineering/Architecture
- Government
- Energy

OUTLOOK

Absorption		Up 5%
Construction		Up 10%
Vacancies		n/a
Rental Rates		Up 10%
Landlord Concessions		Same
Sales Prices	Class A CBD	Up
	Outside CBD	Up
	Class B CBD	Same
	Outside CBD	Same

DEMOGRAPHICS

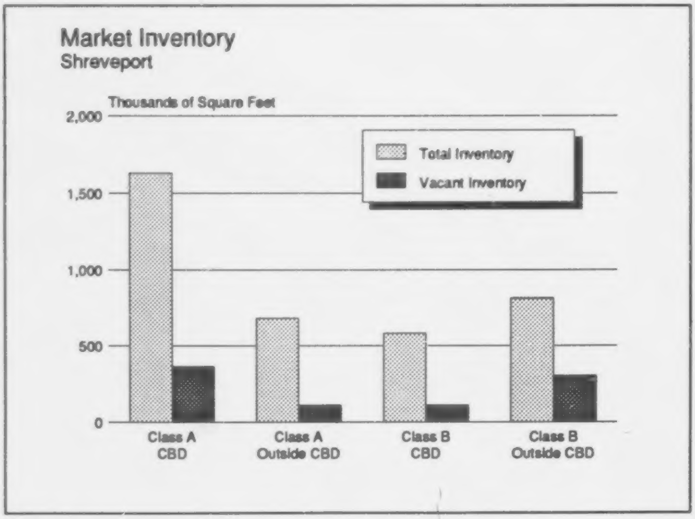
		Rank
Population:	379,613	96
Population Growth Rate:	1.32%	
Unemployment Rate:	7.20%	10
Med. Household Income:	$23,135	7
Cost of Living Index:	n/a	n/a

1990 REVIEW

Shreveport is a northern Louisiana city that suffered in the early 1980s when the boom in the oil industry ended. The market has recently experienced low levels of economic growth and only 20,445 sq. ft. of positive net absorption, with all the gain in Class "A" buildings outside the CBD. Vacancies remained high when compared with leasing activity and rent levels remained flat and modest.

1991 FORECAST

Employment growth, which was negative throughout much of the 1980s, will turn positive. The fastest growing sectors will be construction and mining, but they account for a small portion of the employment base. Trade and services, the two largest sectors, are projected to show modest increases through 1992, then increase more rapidly. No speculative construction will be added in 1991. Slowly improving economic conditions should help to gradually reduce the current oversupply of office space. Upward pressure on rents, however, will require a more substantial decline in Shreveport's 24 percent vacancy rate.



Sioux City, Iowa: Office

Sioux City, Iowa-Nebraska-South Dakota

Market Data

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	1,250,000	470,000	600,000	300,000
Vacant	20,000	4,000	160,000	40,000
Vacancy Rate	1.6%	0.9%	26.7%	13.3%
Vacant Sublease	8,000	0	0	0
Under Construction	20,000	50,000	0	0
Substantial Rehab	20,000	0	10,000	0
Net Absorption	15,000	20,000	15,000	0
Rental Rates ($/sf)				
Lowest	12.00	12.00	4.00	5.00
Highest	18.00	20.00	9.00	8.00
Weighted Average	16.00	15.00	5.00	5.05
Sales Prices ($/sf)				
Lowest	-	-	-	-
Highest	-	-	-	-
Weighted Average	-	-	-	-

Utility Rates: CBD $1.60 per sf
Outside CBD $1.60 per sf
Separately Metered

Parking Ratio: CBD - 1 per 2,000 sf
Outside CBD - 1 per 200 sf

Standard Work Letter: $10.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 12.50%

Cumulative Discount Rate: 10%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Interior Improvements

Leasing Activity Profile

Major Activity
- Telemarketing

Minor Activity
- Legal/Accounting
- Insurance
- Finance/Banking
- Engineering/Architecture
- Government

Outlook

Absorption			Up 5%
Construction			Same
Vacancies			Down 5%
Rental Rates			Same
Landlord Concessions			Up 5%
Sales Prices	Class A	CBD	Same
		Outside CBD	Same
	Class B	CBD	Same
		Outside CBD	Same

Demographics

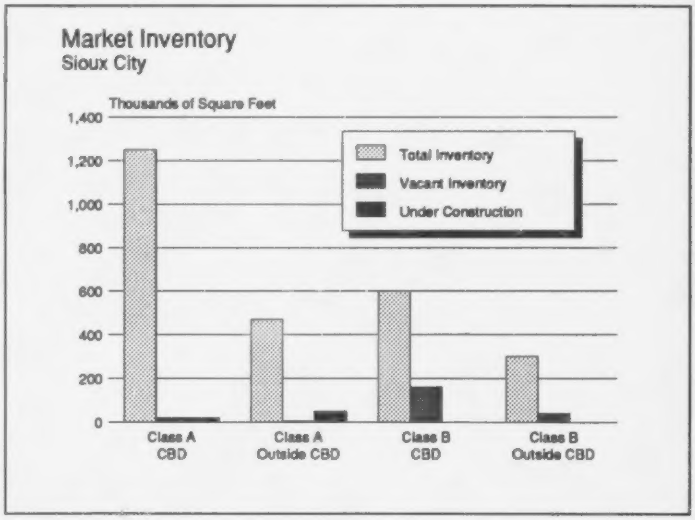
		Rank
Population:	118,725	11
Population Growth Rate:	0.11%	1
Unemployment Rate:	3.90%	
Med. Household Income:	$25,301	98
Cost of Living Index:	100.3	42

1990 Review

The Sioux City economy, while predominately based on agricultural services, is boosted by its strong telemarketing sector. The small office market contains only 2.6 million sq. ft. of space, mostly located within the CBD. The marketwide vacancy rate remains tight at 8.6 percent based on a net absorption level of 50,000 sq. ft. The Class "A" market is extremely strong boasting a 1.4 percent vacancy rate and average weighted rental rates over $15 per sq. ft. On the other hand, the Class "B" sector is 18.2 percent vacant and the weighted average rental rate is five dollars per sq. ft.

1991 Forecast

SIOR's Sioux City researchers anticipate another strong year for this office market. Absorption should pick up modestly. New construction levels will not change from 1990, with most developments built for users. As vacancies begin to drop, the overall short supply is expected to prompt increased leasing of the Class "B" space.



South Bend, Indiana: Office

South Bend and Elkhart

Market Data

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	1,310,000	750,000	900,000	300,000
Vacant	100,000	60,000	189,000	96,000
Vacancy Rate	7.6%	8.0%	21.0%	32.0%
Vacant Sublease	10,000	6,000	n/a	n/a
Under Construction	0	0	0	0
Substantial Rehab	0	0	0	0
Net Absorption	50,000	3,000	70,000	30,000
Rental Rates ($/sf)				
Lowest	11.50	11.50	7.00	7.00
Highest	17.00	17.00	13.00	13.00
Weighted Average	14.25	14.25	10.00	10.00
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $1.70 per sf
Outside CBD $1.70 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 300 sf
Outside CBD - 1 per 400 sf

Standard Work Letter: $14.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Stop - $4.00

Rate of Return: n/a

Cumulative Discount Rate: n/a

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Government

Minor Activity
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Finance/Banking
- Engineering/Architecture

Outlook

Absorption		Same
Construction		Same
Vacancies		Same
Rental Rates		Down 5%
Landlord Concessions		Same
Sales Prices	Class A CBD	Same
	Outside CBD	Same
	Class B CBD	Same
	Outside CBD	Same

Demographics

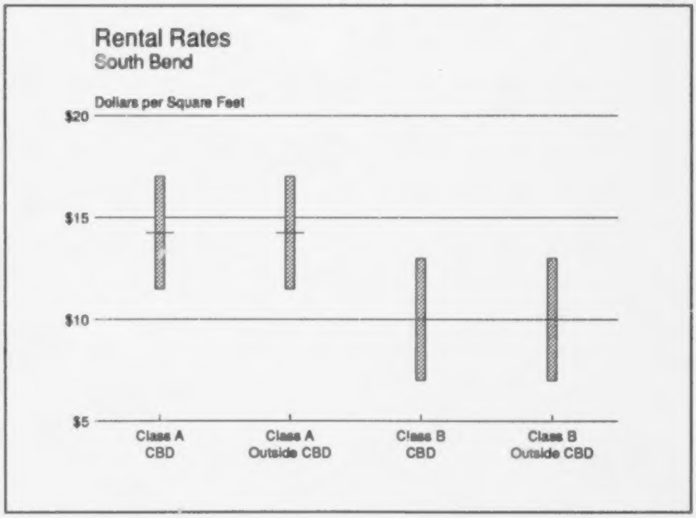
		Rank
Population:	251,386	10
Population Growth Rate:	0.40%	1
Unemployment Rate:	5.00%	
Med. Household Income:	$29,518	69
Cost of Living Index:	94.9	64

1990 Review

The South Bend metro area has maintained a diverse economy and healthy growth despite its ties to the auto industry. Notre Dame University insulates the economy from cyclical downturns and foreign investment at the Inland-Nippon steel plant strengthens the manufacturing sector. In 1990, South Bend had a 13.7 percent composite vacancy rate in its 3.3 million sq. ft. office market inventory. South Bend saw net absorption of only 153,000 sq. ft. during the past year, with most of the gain in Class "B" space. Rent levels were modest and no building sales occurred.

1991 Forecast

The outlook for 1991 is fairly stable. Absorption should be on par with last year with the government representing major activity. Construction will remain low resulting in stable vacancy rates.



SPRINGFIELD, MASSACHUSETTS: OFFICE

Springfield, Chicopee, Holyoke, Westfield, and West Springfield

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	1,200,000	650,000	1,000,000	450,000
Vacant	200,000	175,000	400,000	165,000
Vacancy Rate	16.7%	26.9%	40.0%	36.7%
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	0	50,000	0	25,000
Substantial Rehab	0	0	20,000	10,000
Net Absorption	15,000	15,000	20,000	10,000
Rental Rates ($/sf)				
Lowest	15.00	14.00	14.00	12.00
Highest	18.00	16.00	16.00	14.00
Weighted Average	16.00	15.00	15.00	12.00
Sales Prices ($/sf)				
Lowest	n/a	65.00	70.00	60.00
Highest	n/a	90.00	85.00	80.00
Weighted Average	n/a	80.00	75.00	70.00

Utility Rates: CBD $1.50-2.50 per sf
Outside CBD $1.50-2.50 per sf
Not Separately Metered

Standard Work Letter: $10.00 per sf, typically based on dollars per square foot

Rate of Return: 12.00%

Cumulative Discount Rate: 20%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Interior Improvements
- Signing Bonuses

Parking Ratio: CBD - n/a
Outside CBD - 1 per 400 sf

Operating Cost Escalation: Base Year

Leasing Activity Profile

Major Activity
- Business Services
- Sales

Minor Activity
- Legal/Accounting
- Insurance
- Engineering/Architecture
- Energy

OUTLOOK

Absorption		Down 40%
Construction		Down 50%
Vacancies		Up 20%
Rental Rates		Down 10-20%
Landlord Concessions		Up 20%
Sales Prices	Class A CBD	Down 10%
	Outside CBD	Down 10%
	Class B CBD	Down 10%
	Outside CBD	Down 10%

DEMOGRAPHICS

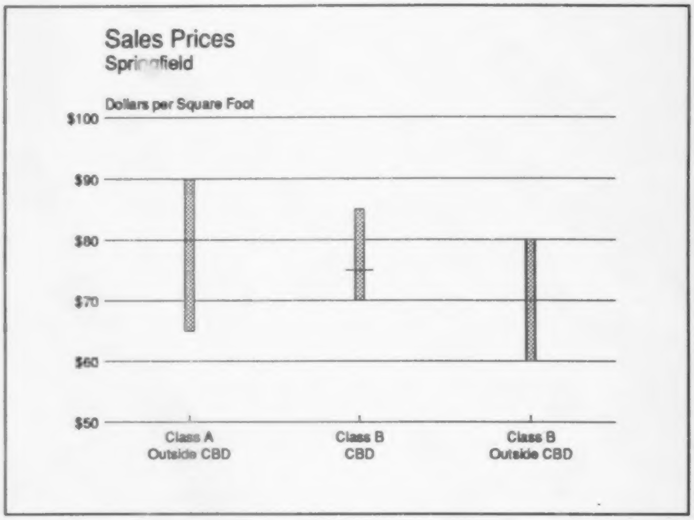
		Rank
Population:	515,928	80
Population Growth Rate:	0.01%	
Unemployment Rate:	6.00%	
Med. Household Income:	$33,844	27
Cost of Living Index:	118.5	7

1990 REVIEW

Poor economic conditions in the state of Massachusetts and bad real estate loans written by local banks have dragged Springfield down. The office market has suffered as a result. In 1990 the marketwide vacancy rate rose 1.6 percentage points to 28.5 percent. Poor net absorption of 60,000 sq. ft. was only 1.8 percent of the total market. The downtown Class "A" sector continued to fare better than any of the other sectors, but its vacancy rate still exceeds 16 percent. Rental rates are modest and concession packages are liberal offering cumulative discounts up to 20 percent.

1991 FORECAST

A softer market in the near-term continues to be the forecast by the Springfield market reporters. A decline in absorption connected with a slow national and New England economy is expected, pushing vacancies up. Speculative development is anticipated to grind to a halt as the market digests the large amounts of space already available.



STAMFORD/NORWALK, CONNECTICUT: OFFICE

Stamford/Norwalk, Connecticut

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	15,610,000	-	2,391,000	-
Vacant	3,986,421	-	552,600	-
Vacancy Rate	25.5%	-	23.1%	-
Vacant Sublease	n/a	-	n/a	-
Under Construction	0	-	0	-
Substantial Rehab	n/a	-	n/a	-
Net Absorption	-39,000	-	33,000	-
Rental Rates ($/sf)				
Lowest	16.00	-	10.00	-
Highest	32.00	-	18.00	-
Weighted Average	22.00	-	16.65	-
Sales Prices ($/sf)				
Lowest	n/a	-	n/a	-
Highest	n/a	-	n/a	-
Weighted Average	n/a	-	n/a	-

Utility Rates: CBD $2.00 per sf
Outside CBD n/a
Not Separately Metered

Parking Ratio: CBD - 1 per 330 sf
Outside CBD - n/a

Standard Work Letter: $30.00 per sf, typically based on $/sf and quantity of materials

Operating Cost Escalation: Base Year

Rate of Return: n/a

Cumulative Discount Rate: 10-15%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Sales
- Government

OUTLOOK

Absorption		Same
Construction		Down
Vacancies		Same
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	Same
	Outside CBD	Same
	Class B CBD	Same
	Outside CBD	n/a

DEMOGRAPHICS

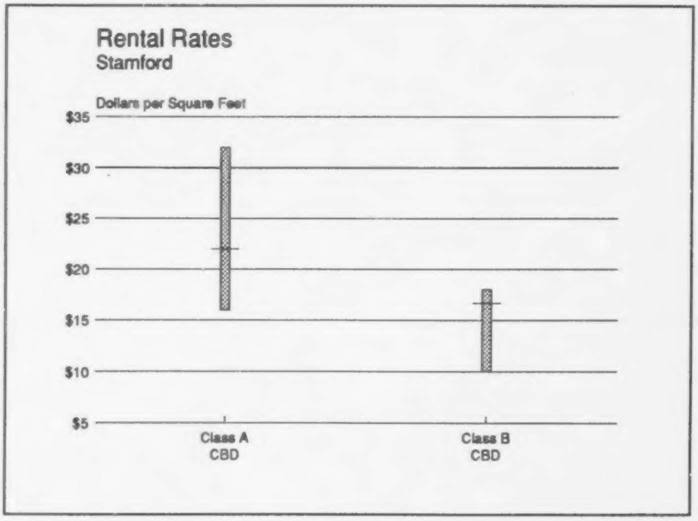
		Rank
Population:	192,562	10
Population Growth Rate:	-0.32%	5
Unemployment Rate:	3.60%	
Med. Household Income:	$65,933	1
Cost of Living Index:	n/a	n/a

1990 REVIEW

Stamford is a major urban center located about one hour north of New York City. This area thrived upon the relocations of firms fleeing New York City in search of lower costs in a state without an income tax and a suburban ambiance. As this spillover effect has dampened and the region faces an economic slowdown, the Stamford office market is troubled. During the 1980s the city became hugely overbuilt with offices. In 1990 net absorption was negative and the marketwide vacancy rate stood at 25.2 percent. Class "A" weighted average rental rates dropped and concession packages offer cumulative discounts between 10 and 15 percent.

1991 FORECAST

Once again, SIOR's Stamford reporter expects a stagnant year. New speculative development will remain non-existent in 1991. Without a step up in absorption this office market should continue to carry an over-hang of space and register a marketwide vacancy rate in the middle 20 percent range.



SYRACUSE, NEW YORK: OFFICE

Syracuse, New York

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	2,900,000	2,500,000	1,500,000	1,600,000
Vacant	250,000	370,000	525,000	300,000
Vacancy Rate	8.6%	14.8%	35.0%	18.8%
Vacant Sublease	0	10,000	25,000	0
Under Construction	0	0	0	0
Substantial Rehab	0	0	0	0
Net Absorption	120,000	135,000	0	0
Rental Rates ($/sf)				
Lowest	15.00	14.00	9.00	10.00
Highest	19.00	16.50	14.00	13.00
Weighted Average	n/a	15.00	11.00	1[illegible].00
Sales Prices ($/sf)				
Lowest	n/a	60.00	n/a	35.00
Highest	n/a	100.00	n/a	60.00
Weighted Average	n/a	90.00	n/a	45.00

Utility Rates: CBD $1.50 per sf
Outside CBD $1.50 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 1,000 sf
Outside CBD - 1 per 200 sf

Standard Work Letter: $16.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: 12.00%

Cumulative Discount Rate: 12.5%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Signing Bonuses

Leasing Activity Profile

Major Activity
- Insurance
- Business Services

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Sales

OUTLOOK

Absorption			Down 15%
Construction			Down 50%
Vacancies			Same
Rental Rates			Same
Landlord Concessions			Up 10%
Sales	Class A	CBD	Same
Prices		Outside CBD	Down 5%
	Class B	CBD	Down 20%
		Outside CBD	Down 20%

DEMOGRAPHICS

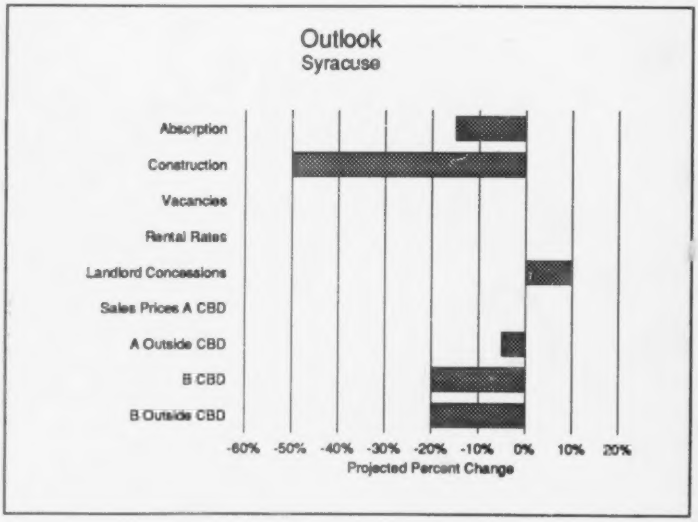
		Rank
Population:	667,812	66
Population Growth Rate:	0.38%	
Unemployment Rate:	3.60%	
Med. Household Income:	$33,398	40
Cost of Living Index:	103.0	28

1990 REVIEW

The office economy remains sluggish in the Syracuse area. The city's employment base suffered a blow in April 1990 when General Electric, a large defense contractor, announced a cutback of 870 jobs over two years. Coupled with the decline in auto manufacturing, these layoffs shrunk manufacturing employment about seven percent in the second half of 1990. Syracuse University helps stabilize local economic swings, with benefits to office-using sectors such as engineering, accounting and data processing. However, the city's record of retaining university students after graduation is poor, given its narrow economic base and spotty employment opportunities. 1990 absorption of 255,000 sq. ft. fell slightly below the 1989 absorption level of 300,000 sq. ft. The Class "A" vacancy rates in the CBD and outside CBD markets are relatively small at approximately nine percent and 15 percent respectively. Class "B" properties continued to fare poorly with a downtown vacancy rate upwards of 30 percent.

1991 FORECAST

With no new construction underway, the Syracuse office market is expected to remain stable in 1991. Nominal rents should remain flat, but landlord concessions are forecast by SIOR's observers to increase from current discounts of 10 to 15 percent.



TAMPA, FLORIDA: OFFICE

Tampa and Hillsborough County

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	4,323,033	9,687,359	834,111	3,700,564
Vacant	1,022,471	1,936,111	370,467	715,047
Vacancy Rate	23.7%	20.0%	44.4%	19.3%
Vacant Sublease	131,818	36,958	3,000	28,294
Under Construction	1,078,213	0	0	0
Substantial Rehab	-	-	-	-
Net Absorption	-67,968	485,315	11,008	42,806
Rental Rates ($/sf)				
Lowest	17.00	10.50	12.00	8.50
Highest	29.00	24.50	20.00	18.00
Weighted Average	21.71	16.52	15.58	12.55
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $1.50 per sf
Outside CBD $1.50 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 1,000 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $15.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: n/a

Cumulative Discount Rate: 15-25%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Club Memberships

Leasing Activity Profile

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Finance/Banking
- Engineering/Architecture
- Government
- Energy

OUTLOOK

Absorption		Same
Construction		Down
Vacancies		Down
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	n/a
	Outside CBD	n/a
	Class B CBD	n/a
	Outside CBD	n/a

DEMOGRAPHICS

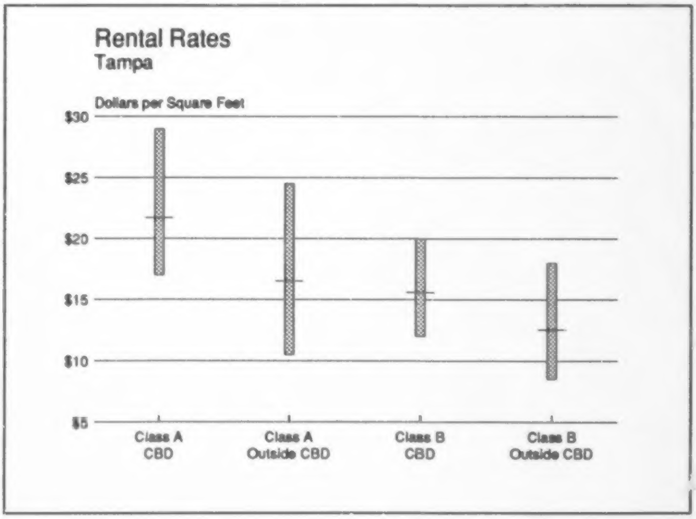
		Rank
Population:	2,164,982	21
Population Growth Rate:	2.98%	
Unemployment Rate:	5.20%	
Med. Household Income:	$26,232	92
Cost of Living Index:	101.2	40

1990 REVIEW

During the 1980s, Tampa was the largest construction market in Florida. As a result, this Gulf Coast office market is out of balance with high vacancies. Over 500,000 sq. ft. of new construction came on-line during the past year, pushing the inventory up to 18.5 million sq. ft. The marketwide vacancy rate is 21.8 percent. The demand for office space has declined over the past year due to mergers, consolidations, and contracting of tenants. Net absorption levels dropped 30 percent to 471,161 sq. ft. leased. Modern suburban space had the most intense tenant interest. Civic improvements in the CBD, meanwhile, are creating an attractive compact downtown district.

1991 FORECAST

As Florida's Growth Management Act becomes fully operational, new construction levels will be restrained. The plan declares that development can occur only if certain essential services are in place. This should give Tampa's office market a chance to absorb excess supply. Landlord concessions should still be favorable in 1990. However, their makeup will change. Landlords are expected to give less free rent and lower rates in an effort to generate cash flow. SIOR's Tampa reporters anticipate the suburban market tightening slightly, with strong leasing trends not expected until 1992.



TERRE HAUTE, INDIANA: Office

Terre Haute, Indiana and Vigo County, Indiana

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	60,000	120,000	150,000	258,000
Vacant	8,500	31,800	19,760	80,700
Vacancy Rate	14.2%	26.5%	13.2%	31.3%
Vacant Sublease	0	8,900	0	0
Under Construction	0	0	0	0
Substantial Rehab	0	0	0	0
Net Absorption	6,500	28,200	10,240	32,400
Rental Rates ($/sf)				
Lowest	12.00	12.00	6.00	6.00
Highest	19.00	17.50	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD n/a
Outside CBD n/a
Separately Metered

Parking Ratio: CBD - n/a
Outside CBD - n/a

Standard Work Letter: $20.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: n/a

Cumulative Discount Rate: n/a

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Minor Activity
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Engineering/Architecture
- Government
- Environmental Firms

Outlook

Absorption			Same
Construction			Same
Vacancies			Same
Rental Rates			Same
Landlord Concessions			Same
Sales	Class A	CBD	Same
Prices		Outside CBD	Same
	Class B	CBD	Same
		Outside CBD	Same

DEMOGRAPHICS

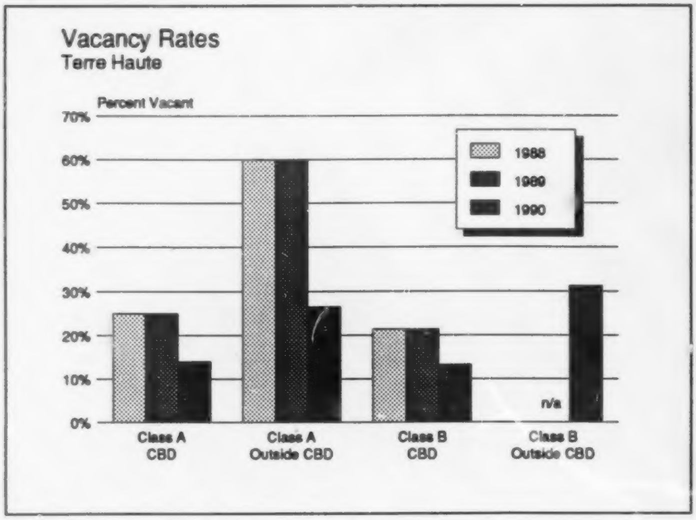
		Rank
		10
Population:	139,503	9
Population Growth Rate:	0.16%	
Unemployment Rate:	4.10%	
Med. Household Income:	$23,978	10
Cost of Living Index:	n/a	3
		n/a

1990 REVIEW

Terre Haute is located 70 miles southwest of Indianapolis. This small metro area is the home of Indiana State University. The office market contains only 588,000 sq. ft. of space. A large proportion of the office space is owner-occupied. Professional medical offices are most in demand. Terre Haute does not have large office requirements. Space needs rarely exceed 10,000 sq. ft. The marketwide vacancy rate stands at 23.9 percent. Net absorption was up over last year with 77,340 sq. ft. leased.

1991 FORECAST

The outlook for Terre Haute calls for a stable 1991. All market characteristics are projected to be on par with last year's performance. As in the past, no speculative development is anticipated. New construction is mainly by owner occupants. A 31,000 sq. ft. medical office building adjacent to Terre Haute Regional Hospital is on the drawing board. Future office growth will be tied primarily to service and small start-up businesses.



Toledo, Ohio: Office

Toledo, Ohio

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	1,752,564	1,320,900	1,677,786	1,500,200
Vacant	179,655	267,200	441,200	269,800
Vacancy Rate	10.3%	20.2%	26.3%	18.0%
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	0	0	0	0
Substantial Rehab	n/a	n/a	n/a	n/a
Net Absorption	131,700	104,350	-181,000	-54,250
Rental Rates ($/sf)				
Lowest	14.00	12.50	11.00	8.50
Highest	30.00	16.50	14.00	12.50
Weighted Average	15.50	14.00	12.50	10.00
Sales Prices ($/sf)				
Lowest	n/a	60.00	n/a	40.00
Highest	n/a	100.00	n/a	55.00
Weighted Average	n/a	75.00	n/a	45.00

Utility Rates: CBD $3.10 per sf
Outside CBD $2.00 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 1,500 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $30.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: n/a

Cumulative Discount Rate: 15%

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Engineering/Architecture

Minor Activity
- Insurance
- Business Services
- Sales
- Finance/Banking

OUTLOOK

Absorption		Same
Construction		Down 80%
Vacancies		Same
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	n/a
	Outside CBD	n/a
	Class B CBD	n/a
	Outside CBD	n/a

DEMOGRAPHICS

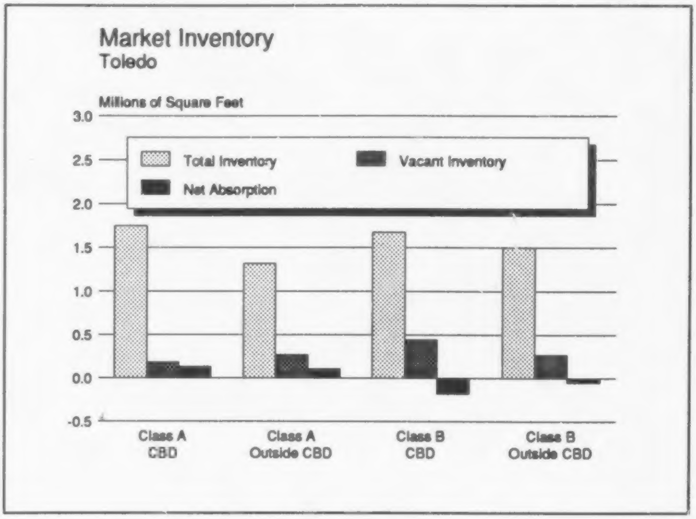
		Rank
Population:	621,054	70
Population Growth Rate:	0.07%	
Unemployment Rate:	5.50%	
Med. Household Income:	$29,042	73
Cost of Living Index:	107.9	15

1990 REVIEW

Toledo's location on Lake Erie makes it a major center of automotive manufacturing. The large number of manufacturers of automotive accessories such as glass, fiberglass, and related industries such as producers of chemicals, plastic products, and machinery have all been hit by the slump in auto sales and the national recession. Toledo's fourth largest employer, Libbey-Owens-Ford, announced a cut of 575 jobs by the end of 1991. Chrysler had more positive news of consolidating its Jeep production in Toledo and closing its Canadian assembly plant. Toledo has benefitted somewhat from Detroit's urban decay. Toledo's office market, therefore, showed a slight improvement in 1990 with a composite vacancy rate of 18.5 percent. Toledo posted positive net absorption during 1990, a turnaround from 1989's occupancy results. The Class "B" market, though, suffers from negative net absorption.

1991 FORECAST

With no speculative office space under construction, modest positive absorption could help bring down the vacancy rate somewhat. The 1991 recession renders any significant level of demand improbable. Rents will remain flat with deep tenant concessions. Toledo's economy will be slow to recover.



TUCSON, ARIZONA: Office

Tucson, Arizona

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	831,084	3,802,873	602,762	1,199,343
Vacant	146,975	938,047	96,535	352,496
Vacancy Rate	17.7%	24.7%	16.0%	29.4%
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	0	0	0	0
Substantial Rehab	0	0	0	0
Net Absorption	36,775	93,280	-20,560	-40,210
Rental Rates ($/sf)				
Lowest	15.00	13.50	10.00	9.00
Highest	20.50	20.50	14.00	13.50
Weighted Average	n/a	n/a	n/a	n/a
Sales Prices ($/sf)				
Lowest	n/a	32.00	n/a	28.00
Highest	n/a	48.00	n/a	36.00
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $1.35 per sf
Outside CBD $1.35 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 1,000 sf
Outside CBD - 1 per 200 sf

Standard Work Letter: $17.50 per sf, typically based on dollars per square foot

Operating Cost Escalation: n/a

Rate of Return: 10.00%

Cumulative Discount Rate: 15-20%

Landlord Concessions
- Parking
- Rental Abatement
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Major Activity
- Business Services
- Engineering/Architecture
- Government

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Sales
- Finance/Banking

Outlook

Absorption		Up
Construction		Same
Vacancies		Down
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	Same
	Outside CBD	Same
	Class B CBD	Same
	Outside CBD	Same

DEMOGRAPHICS

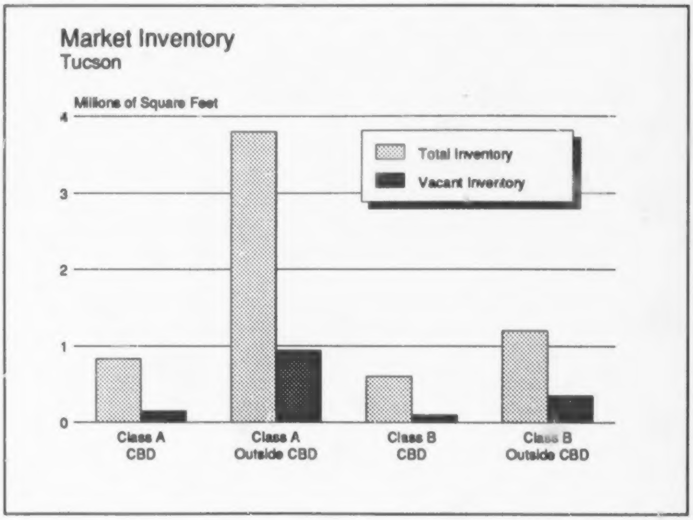
		Rank
Population:	732,517	62
Population Growth Rate:	3.26%	
Unemployment Rate:	3.80%	
Med. Household Income:	$26,370	90
Cost of Living Index:	101.5	37

1990 REVIEW

Tucson's office market realized positive absorption in 1990 after many years of declining occupancy. As tenant demand increased primarily in the 10,000 to 15,000 sq. ft. market, vacancy rates gradually began to decline. Tenants who in the past have occupied space in business parks now find traditional office space pricing competitive. Tucson has a volatile economic base with a concentration of employment in a few large high-tech, aerospace, and defense related industries. Recent moves to Tucson by the Muscular Dystrophy Association, American Airlines, United Airlines, American Express, Sears, Home Planners, and Weiser Lock have begun to ease the "crisis in confidence." Interest in Tucson by other companies should help diversify the economic base.

1991 FORECAST

Absorption for 1991 is estimated to be approximately 70,000 sq. ft. marketwide according to the SIOR respondent. Vacancies are expected to decrease as a parallel to the increased absorption. Rents are projected to remain flat. No new construction is underway or planned since the overbuilt office market of the 1980s is still highly visible.



TULSA, OKLAHOMA: OFFICE

Tulsa, Oklahoma

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	3,155,464	2,447,372	1,691,482	4,333,891
Vacant	510,385	415,420	443,732	1,044,794
Vacancy Rate	16.2%	17.0%	26.2%	24.1%
Vacant Sublease	n/a	n/a	n/a	n/a
Under Construction	0	0	0	0
Substantial Rehab	0	0	0	0
Net Absorption	151,462	193,342	47,361	21,669
Rental Rates ($/sf)				
Lowest	9.50	9.34	7.50	7.50
Highest	12.50	12.50	9.50	9.00
Weighted Average	11.50	10.00	9.00	8.70
Sales Prices ($/sf)				
Lowest	n/a	38.00	n/a	18.00
Highest	n/a	55.00	n/a	32.00
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $1.30 per sf
Outside CBD $1.30 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 1,000 sf
Outside CBD - 1 per 300 sf

Standard Work Letter: $15.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year and Stop - $3.75 - $5.50

Rate of Return: 11.50%

Cumulative Discount Rate: 5-10%

Landlord Concessions
- Parking
- Lease Assumptions
- Moving Allowance
- Interior Improvements

Leasing Activity Profile

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Engineering/Architecture
- Government
- Energy

OUTLOOK

Absorption		Up 5-7%
Construction		Same
Vacancies		Down 5%
Rental Rates		Up
Landlord Concessions		Same
Sales Prices	Class A CBD	Same
	Outside CBD	Same
	Class B CBD	Same
	Outside CBD	Same

DEMOGRAPHICS

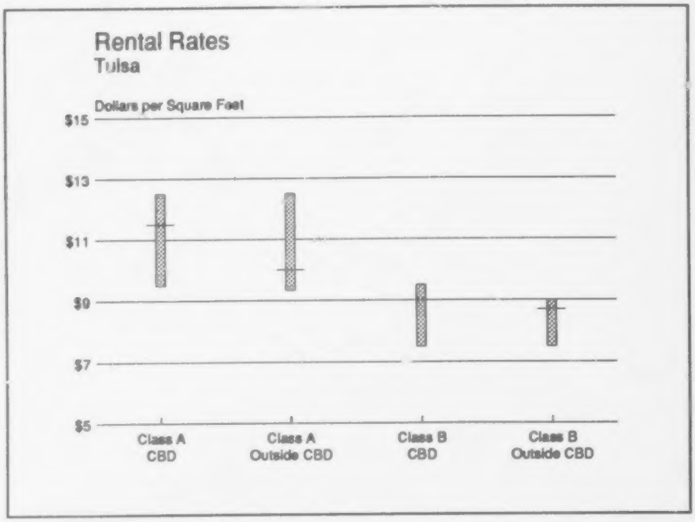
		Rank
Population:	758,781	60
Population Growth Rate:	1.45%	
Unemployment Rate:	5.30%	
Med. Household Income:	$25,330	95
Cost of Living Index:	92.6	72

1990 REVIEW

Demand for office space increased during the last half of 1990, boosting the Tulsa office market. Net absorption levels were significantly higher than last year at almost 415,000 sq. ft. With no new speculative development added to the market, the increased absorption pushed vacancies down. The marketwide vacancy rate dropped 3.5 percentage points to 20.8 percent. Class "A" space was once again stronger than Class "B" in terms of both occupancy and absorption. SIOR's Tulsa reporter indicates that there has been an increase of investment property sales during 1990, primarily to local investors who understand the market and are cash purchasers.

1991 FORECAST

Speculative development will remain non-existent in 1991. Local lenders will continue to exercise strict discipline, with preleasing requirements mandatory before loans will be funded. The stabilization of supply should allow vacancies to be gradually reduced. Rents are expected to remain at 1990 levels for another year at least.



WASHINGTON, D.C.: OFFICE

Washington, D.C.; Northern Virginia-Alexandria, Arlington, and Fairfax Counties; and Suburban Maryland-Montgomery and Prince Georges Counties

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	84,036,962	145,051,222	-	-
Vacant	15,165,000	29,562,000	-	-
Vacancy Rate	18.0%	20.4%	-	-
Vacant Sublease	1,462,000	3,210,000	-	-
Under Construction	6,709,559	1,670,910	-	-
Substantial Rehab	998,802	n/a	-	-
Net Absorption	3,050,215	5,902,730	-	-
Rental Rates ($/sf)				
Lowest	n/a	n/a	-	-
Highest	n/a	n/a	-	-
Weighted Average	n/a	n/a	-	-
Sales Prices ($/sf)				
Lowest	250.00	90.00	130.00	75.00
Highest	352.00	180.00	258.00	100.00
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $2.00 per sf
Outside CBD $1.75 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 1,500 sf
Outside CBD - 1 per 300 sf

Standard Work Letter: $15.00 per sf, typically based on quantity of materials

Operating Cost Escalation: Stop - $6.00 - $12.00

Rate of Return: 9.50%

Cumulative Discount Rate: 20-45%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Signing Bonuses
- Club Memberships

Leasing Activity Profile

Major Activity
- Legal/Accounting
- Business Services
- Government
- Bio-Tech
- Information Services

Minor Activity
- Fortune 500 Firms
- Insurance
- Sales
- Energy
- Defense Contractors

OUTLOOK

Absorption		Same
Construction		Down 95%
Vacancies		Down 30%
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	Down 10-15%
	Outside CBD	Down 20-30%
	Class B CBD	Down 10-15%
	Outside CBD	Down 20-30%

DEMOGRAPHICS

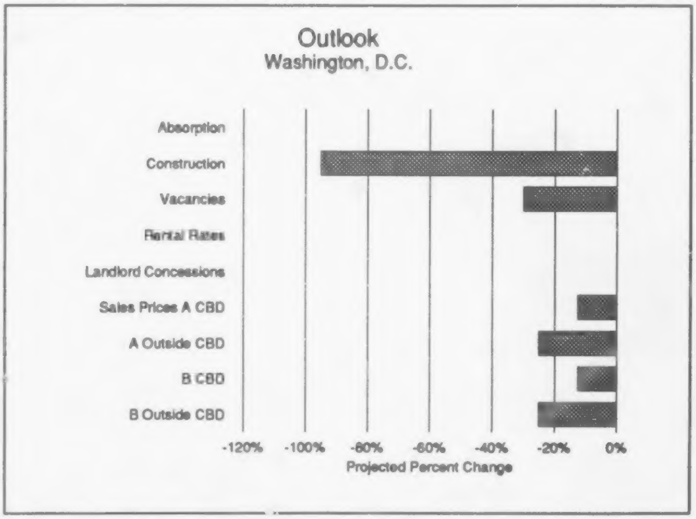
		Rank
Population:	3,850,900	6
Population Growth Rate:	1.71%	
Unemployment Rate:	3.50%	
Med. Household Income:	$48,728	4
Cost of Living Index:	n/a	n/a

1990 REVIEW

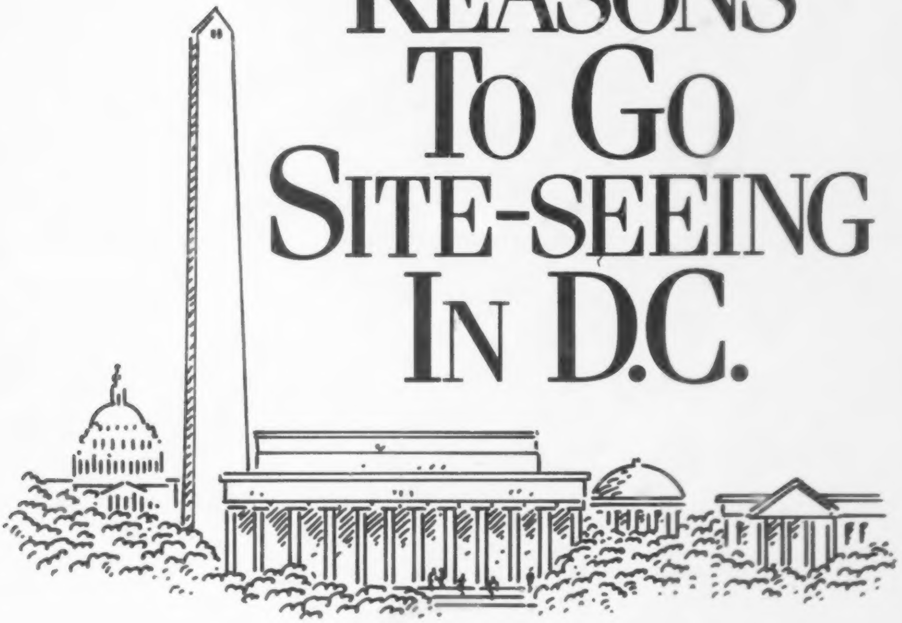
Development outpaced absorption during the second half of the 1980s resulting in an overbuilt office market. Washington D.C.'s office inventory stands over 229 million sq. ft. with a 44.7 million sq. ft. supply. This translates into a composite vacancy rate of 19.5 percent, up considerably from last year's 13.8 percent. Defense spending cuts have affected Northern Virginia seriously. Defense contractors are reducing space and seeking less costly quarters. According to the local research team, law firms are active but not as growth oriented as before. Dutch investors are still interested in high quality product. Quoted rents are subject to substantial concession packages.

1991 FORECAST

No speculative development is expected in the suburban markets as they are heavily overbuilt and absorption is decreasing. The CBD has a great deal of space under construction and one or two additional buildings may break ground regardless. SIOR's Washington D.C. observers anticipate that this market will make a strong recovery in 18 to 24 months. This is based on the assumption that the declining construction levels matched with current absorption will drop vacancies swiftly.



SIX REASONS TO GO SITE-SEEING IN D.C.



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West Palm Beach, Florida: Office

West Palm Beach, Florida

Market Data

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	1,320,000	2,397,000	985,000	1,910,000
Vacant	213,000	501,000	197,000	812,000
Vacancy Rate	16.1%	20.9%	20.0%	42.5%
Vacant Sublease	92,000	0	0	114,000
Under Construction	0	0	0	0
Substantial Rehab	0	300,000	0	86,000
Net Absorption	92,000	207,000	36,000	167,000
Rental Rates ($/sf)				
Lowest	12.00	10.00	10.00	7.50
Highest	28.00	18.00	18.00	12.00
Weighted Average	18.00	15.00	12.00	10.00
Sales Prices ($/sf)				
Lowest	67.00	42.00	31.00	21.00
Highest	137.00	132.00	97.00	101.00
Weighted Average	93.00	69.00	49.00	56.00

Utility Rates: CBD $1.50 per sf
Outside CBD $1.25 per sf
Separately Metered

Parking Ratio: CBD - 1 per 400 sf
Outside CBD - 1 per 250 sf

Standard Work Letter: $28.00 per sf, typically based on quantity of materials

Operating Cost Escalation: Stop - Full Pass Through

Rate of Return: n/a

Cumulative Discount Rate: 27%

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Signing Bonuses
- Club Memberships

Leasing Activity Profile

Major Activity
- Fortune 500 Firms
- Legal/Accounting
- Government

Minor Activity
- Business Services
- Sales

Outlook

Absorption		Up 10%
Construction		Down 50%
Vacancies		Down 3%
Rental Rates		Down 5%
Landlord Concessions		Down 50%
Sales	Class A CBD	Down 8%
Prices	Outside CBD	Up 25%
	Class B CBD	Same
	Outside CBD	Up 30%

Demographics

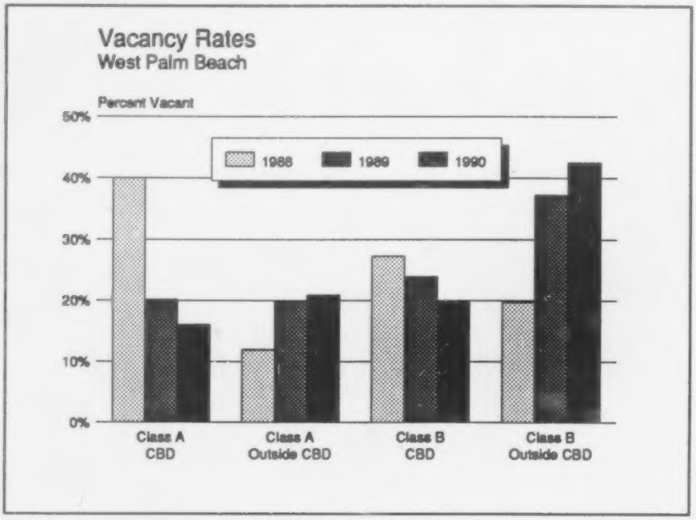
		Rank
Population:	877,170	55
Population Growth Rate:	4.28%	
Unemployment Rate:	7.20%	
Med. Household Income:	$34,176	24
Cost of Living Index:	113.2	9

1990 Review

West Palm Beach, located along Florida's Gold Coast, has developed as a significant high-technology center. As population and employment growth slowed during the past two years, the office market was unable to absorb its excess supply. As of 1990, the marketwide vacancy rate stood at 26.1 percent. Downtown Class "A" space had the strongest occupancy, posting a vacancy rate of 16.1 percent. Class "B" suburban space was the weakest at 42.5 percent vacant. SIOR's local observer reports that some firms are bottom-fishing for deeply discounted office buildings. Weighted average sales prices range from $49 to $93 per sq. ft. This office market received a boost at year-end when W.R. Grace & Co. announced relocation plans from Manhattan to Boca Raton. The firm leased the entire 200,000 sq. ft. Crocker Tower and expects to relocate 525 employees.

1991 Forecast

The West Palm Beach office market is predicted to mark slight improvement in 1991. No new speculative development over 50,000 sq. ft. is anticipated. This, coupled with a modest increase in absorption, should begin to push vacancies downward. SIOR's local reporter expects large corporations to consider Palm Beach County for relocations motivated by the cost savings and attractive lifestyle. This should boost the office market in the future.



WICHITA, KANSAS: OFFICE

Wichita Metropolitan Area

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	2,225,000	760,000	2,000,000	1,200,000
Vacant	316,000	95,000	400,000	290,000
Vacancy Rate	14.2%	12.5%	20.0%	24.2%
Vacant Sublease	50,000	0	100,000	0
Under Construction	0	200,000	0	0
Substantial Rehab	0	0	0	0
Net Absorption	n/a	n/a	n/a	n/a
Rental Rates ($/sf)				
Lowest	10.00	9.00	6.00	5.00
Highest	20.00	15.00	12.00	11.00
Weighted Average	14.00	12.00	11.00	10.00
Sales Prices ($/sf)				
Lowest	n/a	n/a	n/a	n/a
Highest	n/a	n/a	n/a	n/a
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $1.50-2.00 per sf
Outside CBD $1.50-2.00 per sf
Not Separately Metered

Parking Ratio: CBD - 1 per 400 sf
Outside CBD - 1 per 400 sf

Standard Work Letter: $55.00 per sf, typically based on dollars per square foot

Operating Cost Escalation: Base Year

Rate of Return: n/a

Cumulative Discount Rate: n/a

Landlord Concessions
- Parking
- Rental Abatement
- Lease Assumptions
- Interior Improvements

Leasing Activity Profile

Minor Activity
- Fortune 500 Firms
- Legal/Accounting
- Insurance
- Business Services
- Engineering/Architecture
- Government

1990 REVIEW

As expected, the Wichita office market held very steady in 1990. All market indicators remained unchanged from last year. No new space was added to the market leaving the market inventory at 6.2 million sq. ft. The composite vacancy rate stands at 17.8 percent and rents remained extremely inexpensive.

1991 FORECAST

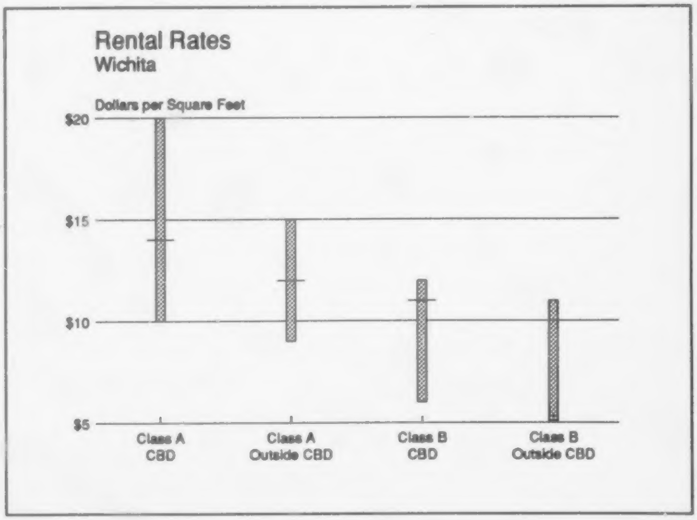
There is again no change on the horizon for the Wichita office market. SIOR's local researcher anticipates all market characteristics will remain the same as last year. However, Wichita may be poised for improvement. The metro area is forecast to outpace many large MSAs in terms of employment growth through 1992. As home to many defense companies that are relatively untouched by the budget cuts, Wichita appears well-positioned for the Nineties.

OUTLOOK

Absorption			Same
Construction			Same
Vacancies			Same
Rental Rates			Same
Landlord Concessions			Same
Sales	Class A	CBD	n/a
Prices		Outside CBD	n/a
	Class B	CBD	n/a
		Outside CBD	n/a

DEMOGRAPHICS

		Rank
Population:	518,325	78
Population Growth Rate:	1.61%	
Unemployment Rate:	4.50%	
Med. Household Income:	$30,079	63
Cost of Living Index:	97.4	54



WILMINGTON, DELAWARE: Office

Wilmington and New Castle County

MARKET DATA

	Class A		Class B	
Inventory (sf)	**CBD**	**Outside CBD**	**CBD**	**Outside CBD**
Total	2,996,558	3,413,266	1,506,875	1,901,116
Vacant	402,110	535,648	546,389	163,941
Vacancy Rate	13.4%	15.7%	36.3%	8.6%
Vacant Sublease	253,057	79,456	7,200	6,000
Under Construction	0	285,629	0	53,265
Substantial Rehab	0	0	0	0
Net Absorption	-60,927	194,572	n/a	n/a
Rental Rates ($/sf)				
Lowest	16.50	15.00	12.00	12.00
Highest	24.36	21.00	17.50	18.50
Weighted Average	20.15	17.76	15.48	14.87
Sales Prices ($/sf)				
Lowest	90.00	75.00	60.00	50.00
Highest	150.00	158.00	90.00	80.00
Weighted Average	n/a	n/a	n/a	n/a

Utility Rates: CBD $1.50 per sf
Outside CBD $1.75 per sf
Not Separately Metered

Standard Work Letter: $16.00 per sf, typically based on dollars per square foot

Rate of Return: 10.00%

Cumulative Discount Rate: n/a

Landlord Concessions
- Rental Abatement
- Lease Assumptions
- Moving Allowance
- Interior Improvements
- Cash Concession for Furniture

Parking Ratio: CBD - n/a
Outside CBD - 1 per 285 sf

Operating Cost Escalation: Base Year and Stop - $4.50 - $5.00

Leasing Activity Profile

Major Activity
- Fortune 500 Firms
- Finance/Banking

Minor Activity
- Legal/Accounting
- Insurance
- Business Services
- Sales
- Engineering/Architecture
- Government

Outlook

Absorption		Same
Construction		Down 50%
Vacancies		Down 15%
Rental Rates		Same
Landlord Concessions		Same
Sales Prices	Class A CBD	Same
	Outside CBD	Same
	Class B CBD	Same
	Outside CBD	Same

DEMOGRAPHICS

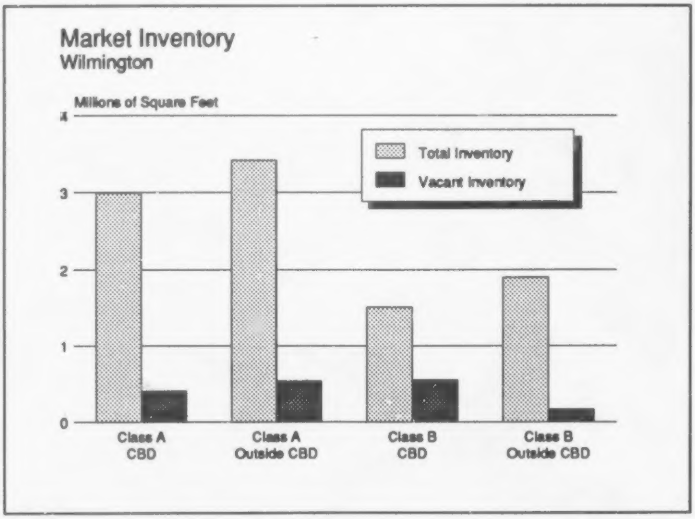
		Rank
Population:	562,097	75
Population Growth Rate:	0.72%	
Unemployment Rate:	5.30%	
Med. Household Income:	$36,713	18
Cost of Living Index:	119.9	6

1990 REVIEW

Wilmington's strength during the 1980s was based upon financial industry growth. As the banking sector retrenches and Delaware is prevented from attracting new financial business through bank and insurance legislation, demand will slow from once high levels but still be healthy. Total inventory in this market registers almost 10 million sq. ft. with a composite vacancy rate of 16.8 percent. The suburban office sector shows particular strength registering a 13.2 percent vacancy rate.

1991 FORECAST

The outlook for the Wilmington office market in 1991 indicates potential improvement. Absorption should remain at current levels and new construction will decline significantly. This should work to push vacancies down. All other market indicators are expected to remain steady.



OFFICE SURVEY QUESTIONNAIRE

Society of Industrial and Office REALTORS®
Office Real Estate Market Survey - 1990 Review / 1991 Forecast

READ CAREFULLY BEFORE FILLING OUT QUESTIONNAIRE: This questionnaire must be received by the SIOR National Office by December 14, 1990 if your report is to be included in the *1991 Guide to Industrial and Office Real Estate Markets*. For data compilation reasons, any surveys received after December 14, 1990 cannot be used.

Please type or print your answers clearly.
The individual reporter **must be a member of SIOR.**
Be sure to include both the individual's name and the firm's name
Please use the abbreviation of "N/A" for Not Available
and the abbreviation of "—" for Not Applicable

If you have any questions, please contact:
Mary Henesey
Society of Industrial and Office REALTORS®
777 14th Street, N.W., Suite 400
Washington, D.C. 20005-3271
202/383-7516
FAX: 202/383-1114

Identification

Market Area ____________________

Reporter's Name ____________	Reporter's Name ____________
Firm Name ____________	Firm Name ____________
Address ____________	Address ____________
____________	____________
City ________ State ____ Zip ____	City ________ State ____ Zip ____
Business Phone ____________	Business Phone ____________

Comments

SIOR urges each reporter to provide some comments about his/her market area. Readers of last year's SIOR *Guide to Industrial and Office Real Estate Markets* found the market area narratives valuable. Your specific comments will be incorporated into the 1991 report.

Comment on demand for office space (lease and/or sales): ____________________

Comment on new speculative development in 1991: ____________________

Comment on local / regional economy: ____________________

Comment on real estate market trends in your market area (e.g. user relocations or expansions, backfilling, foreign investment, move-up activity, office condos, etc.): ____________________

Other Comments: ____________________

Society of Industrial and Office REALTORS®
Office Real Estate Market Survey - 1990 Review / 1991 Forecast

Definitions

CBD	*Central Business District space located near the historical urban core commonly associated with traditional government and financial districts in most cities.*
Outside CBD	*Includes both suburban areas and "urban clusters" with area of high office space concentrations which often rival nearby CBD's.*
Class A	*Excellent location, high quality tenants, high quality finish, well-maintained, professionally managed and usually new, or old buildings that are competitive with new buildings.*
Class B	*Good location, professionally managed, fairly high quality construction and tenancy. Class B buildings generally show very little functional obsolescence and deterioration.*
Total Inventory	*Total square footage of rentable space, vacant and occupied, ready for tenant finish, in your market area. Do not include owner occupied space.*
Vacant Inventory	*Total square footage of vacant rentable space, including sublease.*
Sublease Inventory	*Total square footage of vacant sublease space.*
Under Construction	*Total square footage of office space under construction. Ground must be broken; do not include projects that are still in the planning stages.*
Substantial Rehabilitation	*Repair/replacement of building interior finish and/or systems requiring temporary displacement of tenants.*
Net Absorption	*Net absorption is the change in occupied office stock in 1990.*
Lowest	*Minimum quoted rental rate for competitive office space in each class.*
Highest	*Maximum quoted rental rate for competitive office space in each class.*
Weighted Average	*Average quoted rental rate weighted by the vacant space available at the rental rate, in each class. Obtained by multiplying each building's rent by the vacant space available in each building, adding the products and dividing by the sum of the vacant space available.*
Rate of Return	*The property's net operating income divided by the sales price. Does not include mortgage debt.*

Section I: Inventory Data

Inventory (as of December 1990)		Class A	Class B
Total	CBD	______ sq ft	______ sq ft
	Outside CBD	______ sq ft	______ sq ft
Vacant	CBD	______ sq ft	______ sq ft
	Outside CBD	______ sq ft	______ sq ft
Vacant Sublease	CBD	______ sq ft	______ sq ft
	Outside CBD	______ sq ft	______ sq ft
Under Construction	CBD	______ sq ft	______ sq ft
	Outside CBD	______ sq ft	______ sq ft
Substantial Rehabilitation	CBD	______ sq ft	______ sq ft
	Outside CBD	______ sq ft	______ sq ft
Net Absorption	CBD	______ sq ft	______ sq ft
	Outside CBD	______ sq ft	______ sq ft

Society of Industrial and Office REALTORS®
Office Real Estate Market Survey - 1990 Review / 1991 Forecast

Section II: Rental Rates

1. Please indicate the range of quoted gross rental rates in your market area (Dollars per rentable square foot per year).

Rental Rates		**Lowest**	**Highest**	**Weighted Average**
Class A	CBD	$__________ sq ft	$__________ sq ft	$__________ sq ft
	Outside CBD	$__________ sq ft	$__________ sq ft	$__________ sq ft
Class B	CBD	$__________ sq ft	$__________ sq ft	$__________ sq ft
	Outside CBD	$__________ sq ft	$__________ sq ft	$__________ sq ft

Section III: Sales Prices

2. Please indicate the range of sales prices in your market area (Dollars per rentable square foot per year).

Sales Prices		**Lowest**	**Highest**	**Weighted Average**
Class A	CBD	$__________ sq ft	$__________ sq ft	$__________ sq ft
	Outside CBD	$__________ sq ft	$__________ sq ft	$__________ sq ft
Class B	CBD	$__________ sq ft	$__________ sq ft	$__________ sq ft
	Outside CBD	$__________ sq ft	$__________ sq ft	$__________ sq ft

Section IV: Landlord Concessions

3. Are the following landlord lease concessions common in your market area today?

Parking	☐ Yes	☐ No
Rental Abatement	☐ Yes	☐ No
Lease Assumptions	☐ Yes	☐ No
Moving Allowance	☐ Yes	☐ No
Additional Interior Improvements	☐ Yes	☐ No
Signing Bonuses	☐ Yes	☐ No
Club Memberships	☐ Yes	☐ No

Other ______________________________________

4. What is the cumulative discount to quoted rents of landlord lease concessions on gross rental rates? __________________ %

5. Please indicate the extent of leasing activity by various industries in your market area at the present time.

	Major Activity	Minor Activity	No Activity
Fortune 500 Firms	☐	☐	☐
Legal/Accounting	☐	☐	☐
Insurance	☐	☐	☐
Business Services	☐	☐	☐
Sales	☐	☐	☐
Finance/Banking	☐	☐	☐
Engineering/Architecture	☐	☐	☐
Government	☐	☐	☐
Energy	☐	☐	☐
Other ____________________	☐	☐	

Society of Industrial and Office REALTORS®
Office Real Estate Market Survey - 1990 Review / 1991 Forecast

Section V: Other Market Information

6. What are average annual utility rates per square foot in your area?

CBD $ ______________ sq ft

Outside CBD $ ______________ sq ft

Is space for lease **typically** separately metered? ☐ Yes ☐ No

7. What parking ratios are common in your market area?

CBD 1 per ___________ sq ft

Outside CBD 1 per ___________ sq ft

8. Is the standard work letter (slab-to-slab) for **Class A**, first generation space in your market area typically based on...

☐ the quantity of materials?

☐ dollars per square foot?

In either case, what is the approximate dollar value per square foot of the standard work letter in your market area? $_______________ sq ft

9. How is operating cost escalation determined?

☐ Base year ☐ Stop, please specify $____________________ sq ft

10. What is the typical rate of return (capitalization rate)? __________________ %

Section VI: Outlook

11. What is the outlook in your market area for 1991?

Absorption			☐ Same	☐ Increase ____________ %	☐ Decrease ________________ %
Construction			☐ Same	☐ Increase ____________ %	☐ Decrease ________________ %
Vacancies			☐ Same	☐ Increase ____________ %	☐ Decrease ________________ %
Rental Rate			☐ Same	☐ Increase ____________ %	☐ Decrease ________________ %
Landlord Concessions			☐ Same	☐ Increase ____________ %	☐ Decrease ________________ %
Sales Prices	Class A	CBD	☐ Same	☐ Increase ____________ %	☐ Decrease ________________ %
	Class A	Outside CBD	☐ Same	☐ Increase ____________ %	☐ Decrease ________________ %
	Class B	CBD	☐ Same	☐ Increase ____________ %	☐ Decrease ________________ %
	Class B	Outside CBD	☐ Same	☐ Increase ____________ %	☐ Decrease ________________ %

Section VII: Market Area Information

Important: SIOR is interested in learning more about your market area. Please send any information about your local economy and local real estate markets with your survey. If specific information is not conveniently available, perhaps you can send an address where information can be obtained.

Name ____________________________________ Name ____________________________________

Address __________________________________ Address __________________________________

Type of information ____________________________ Type of information ____________________________

List of Resources ____

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